

To: Board of Education

From: Kathy Johnson, director, finance, ext. 2376

Re: Acceptance of Audit for FY June 30, 2015

Date: December 10, 2015

Background:

The audit for Lawrence Public Schools for the fiscal year ending June 30, 2015 has been completed. An electronic copy of the audit is included. In addition, activity fund audits were done on the two high schools (Lawrence High School and Lawrence Free State High School), one middle school (South Middle School) and one elementary school (Woodlawn Elementary School). They are also included.

As the management letters state, the audit was performed in accordance with the generally accepted auditing standards and the standards applicable to financial audits contained in "Government Audit Standards," issued by the Comptroller General of the United States and the Kansas Municipal Audit Guide. Those standards require that the audit is planned and performed to obtain reasonable assurance that the financial statements are free of material misstatement. The results of the audit assure that this is the case for Lawrence Public Schools.

The management letter also indicates that district management is responsible for establishing internal controls and that during the course of the audit no material weakness involving internal controls was noted. The audit does not express an opinion on internal controls.

The audit is favorable with no significant weaknesses or findings.

The following are internal control suggestions and comments the auditor did make to management.

- Recommend reviewing outstanding checks and determine any that may not likely be cashed.
- Recommend reviewing signature cards on a periodic basis and as staff change to ensure they are current.
- Recommend gate receipt reconciliation forms be completed and signed according to district policies and that an individual be responsible for reviewing/monitoring the completed forms.
- During our testing of Title IIA payroll records, we noted one employee whose Personnel Activity Reports were not signed by either the employee or a direct supervisor. A signature by at least one of these parties is required in order to properly document wages charged to this federal program. We recommend the district monitor all Personnel Activity Reports to verify they are properly signed.
- For the year ended June 30, 2015, the district had a 20% reduction in operating cash from the year ended June 30, 2014. We recommend that the district consider adopting a working capital policy for the district's operating funds. Working capital is defined as current assets less current liabilities.

(Page 2)

Recommendation:

The administration recommends the Board of Education accept the audit for the fiscal year ending June 30, 2015.

Motion:

"I move the Board of Education accept the audit from Mize Houser & Company P.A. for the fiscal year ending June 30, 2015."

UNIFIED SCHOOL DISTRICT NO. 497

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2015

This page intentionally left blank.

UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2015

Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i - ii
FINANCIAL STATEMENTS SECTION	
Independent Auditor's Report	1 - 3
Summary Statement of Receipts, Expenditures and Unencumbered Cash	4 - 5
Notes to the Financial Statements	6 - 15
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	16
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget or Actual Only	
General Fund	17
Supplemental General Fund	18
Adult Basic Education Fund	19
At Risk (4 Year Old) Fund	20
Adult Supplemental Education Fund	21
At Risk (K-12) Fund	22
Bilingual Education Fund	23
Virtual Education Fund	24
Capital Outlay Fund	25
Driver Training Fund	26
Food Service Fund	27
Professional Development Fund	28
Parent Education Program Fund	29
Summer School Fund	30
Special Education Fund	31
Cost of Living Fund	32
Vocational Education Fund	33
KPERS Special Retirement Contribution Fund	34
Contingency Reserve Fund	35
Textbook Rental Fund	36
Student Material Revolving Fund	37
Grants Fund	38
Bond and Interest Fund	39
Special Assessment Fund	40
Capital Project Funds	41
School Workers' Compensation Reserve Fund	42
Health Care Services Reserve Fund	43

UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2015

Table of Contents - Continued

	<u>Page Number</u>
SCHEDULE 3 Schedule of Receipts, Expenditures and Unencumbered Cash Trust Funds	44
SCHEDULE 4 Summary of Receipts and Disbursements Agency Funds	45 - 49
SCHEDULE 5 Schedule of Receipts, Expenditures and Unencumbered Cash District Activity Funds	50
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	51
Notes to the Schedule of Expenditures of Federal Awards	52
Schedule of Findings and Questioned Costs	53 - 54
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"	55 - 56
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	57 - 58



INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 497, Lawrence, Kansas, (the District), as of and for the year ended June 30, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2015, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of regulatory basis receipts and disbursements-agency funds, the schedule of regulatory basis receipts, expenditures and unencumbered cash-trust funds, and the schedule of regulatory basis receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3, 4, and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2015, on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Other Matter

The 2014 Actual column presented in the individual fund financial schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we rendered an unmodified opinion dated November 13, 2014. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://da.ks.gov/ar/muniserv>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statements. The 2014 comparative information was subjected to auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statements or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly presented in all material respects in relation to the 2014 basic financial statements as a whole, on the basis of accounting described in Note 1.

Mike Houser: Company PA

Certified Public Accountants

Lawrence, Kansas

November 13, 2015

UNIFIED SCHOOL DISTRICT NO. 497
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2015

<u>Funds</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled Encumbrances	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts Payable	Ending Cash <u>Balance</u>
Governmental Fund Types:							
General Funds:							
General Fund	\$ -	\$ -	\$ 67,816,468	\$ 67,808,653	\$ 7,815	\$ 5,087,273	\$ 5,095,088
Supplemental General	1,791,388	-	22,600,649	23,312,995	1,079,042	1,515,188	2,594,230
Special Purpose Funds:							
Adult Basic Education	619,728	-	659,382	365,374	913,736	16,304	930,040
At Risk (4 Year Old)	578,586	-	298,475	523,996	353,065	59,028	412,093
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	2,984,551	-	1,863,423	4,847,974	-	520,061	520,061
Bilingual Education	60,754	-	648,141	708,895	-	15,144	15,144
Virtual Education	1,002,713	-	3,891,000	4,893,713	-	343,992	343,992
Capital Outlay	7,168,065	-	9,407,950	10,108,316	6,467,699	5,678,978	12,146,677
Driver Training	58,389	-	31,329	39,598	50,120	14,635	64,755
Food Service	1,094,888	-	4,747,876	4,826,751	1,016,013	51,620	1,067,633
Professional Development	250,051	-	322,252	572,303	-	6,388	6,388
Parent Education Program	81,478	-	175,322	183,685	73,115	598	73,713
Summer School	178,327	-	41,974	22,751	197,550	5,857	203,407
Special Education	8,904,126	-	21,375,106	23,202,876	7,076,356	1,668,148	8,744,504
Cost of Living	8,694	-	1,300,146	1,290,500	18,340	-	18,340
Vocational Education	402,102	-	1,626,224	2,028,326	-	267,745	267,745
KPERS Special Retirement Contribution	-	-	7,115,475	7,115,475	-	-	-
Contingency Reserve	6,146,082	-	609,276	284,265	6,471,093	294,571	6,765,664
Student Material Revolving	1,430,205	-	821,929	1,345,657	906,477	402,178	1,308,655
Grants	226,088	-	2,591,767	2,975,129	[157,274]	352,626	195,352
District Activity	3,029	-	576,351	574,938	4,442	-	4,442
Bond and Interest Funds:							
Bond and Interest	12,519,194	-	11,801,925	10,797,475	13,523,644	-	13,523,644
Special Assessment	428,519	-	86,636	83,952	431,203	-	431,203
Capital Projects Fund:							
Construction	[14,959,421]	-	37,694,143	17,818,224	4,916,498	19,727,886	24,644,384
Business Funds:							
School Workers' Compensation							
Reserve	2,229,355	-	359,350	397,103	2,191,602	-	2,191,602
Health Care Services Reserve	6,745,385	-	9,915,954	10,419,383	6,241,956	-	6,241,956
Trust Fund:							
Trusts - Private Purpose	805,169	-	361,580	262,132	904,617	22,153	926,770
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 40,783,427</u>	<u>\$ -</u>	<u>\$ 208,740,103</u>	<u>\$ 196,810,439</u>	<u>\$ 52,713,091</u>	<u>\$ 36,050,373</u>	<u>\$ 88,763,464</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 497
Summary Statement of Receipts, Expenditures and Unencumbered Cash (Continued)
Regulatory Basis
For the Year Ended June 30, 2015

Composition of Cash:

Douglas County Bank		
Certificates of Deposit	\$ 3,200	
Checking Accounts	<u>107,319</u>	
Total Douglas County Bank		\$ 110,519
Commerce Bank		
Certificates of Deposit	3,921	
Checking Accounts	<u>341</u>	
Total Commerce Bank		4,262
U.S. Bank - Checking		54,017,839
United Missouri Bank - Checking		1,806,665
Kansas Municipal Investment Pool		30,603,068
Peoples Bank - Checking		1,676
Cash on Hand		<u>1,644</u>
Total Cash		86,545,673
Less Agency Funds per Schedule 4		<u>2,217,791</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 88,763,464</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2015

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 497 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$472,053 and \$15,813 are classified as reimbursed expenses in the General Fund and Supplemental General Fund, respectively. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2015:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipts sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2015

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Capital Projects Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

Trust Fund - funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization fund, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended June 30, 2015 was not amended.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, business funds, trust funds, agency funds, and the following special purpose funds: Contingency Reserve, Textbook Rental, Student Material Revolving Fund and District Activity.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2015

NOTE 2 - Deposits and Investments

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

Investments. K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

As of June 30, 2015, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>	<u>Rating</u>
		<u>Less than 1 year</u>	
Certificate of Deposit	\$ 7,121	\$ 7,121	NA
Kansas Municipal Investment Pool	<u>30,603,068</u>	<u>30,603,068</u>	S&P AAf/S1+
Total fair value	<u>\$ 30,610,189</u>	<u>\$ 30,610,189</u>	

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2015, is as follows:

<u>Investment</u>	<u>Percentage of Investments</u>
Certificate of Deposit	0.02%
Kansas Municipal Investment Pool	<u>99.98%</u>
	<u>100.00%</u>

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2015.

At June 30, 2015, the District's carrying amount of deposits was \$55,935,484 and the bank balance was \$60,746,655. The bank balance was held by six banks resulting in a concentration of credit risk. Of the bank balance, \$764,927 was covered by federal depository insurance and the balance of \$59,981,728 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2015

NOTE 2 - Deposits and Investments (Continued)

Custodial credit risk – investments (continued). At June 30, 2015, the District had invested \$30,603,068 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Substance receipt in transit. The District received \$4,104,781 subsequent to June 30, 2015 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015.

NOTE 3 - Long-Term Debt

Following is a detailed listing of the District long-term liabilities, including capital leases, at June 30, 2015:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2015</u>
Paid for by revenues					
General Obligation Bonds					
2006A Refunding & Improvement	6/15/2006	9/1/2025	4.00 - 5.00%	\$ 84,630,000	\$ 32,765,000
2012A Refunding	12/15/2012	9/1/2025	2.00%	9,890,000	9,510,000
2013A Improvement	8/1/2013	9/1/2033	2.00 - 5.00%	36,000,000	36,000,000
2014A Improvement	12/18/2014	9/31/2034	2.00 - 5.00%	36,000,000	36,000,000
Capital Leases					
Energy Savings Equipment	7/12/2006	10/12/2025	4.90%	1,683,575	1,182,630
Athletics Fields/Equipment - Phase I	1/15/2009	7/15/2014	4.98%	4,800,000	-
Athletics Fields/Equipment - Phase II	4/1/2009	1/15/2019	5.10%	4,250,000	1,920,000
Technology Equipment	6/24/2014	6/24/2017	0.99%	2,161,949	1,080,922
Athletics Fields/Equipment - Phase I Refinancing	7/15/2014	1/15/2019	1.63%	2,521,898	2,250,698
Total					<u>\$ 120,709,250</u>

Following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Balance</u>	<u>Interest Paid</u>
Paid for by revenues					
General Obligation Bonds					
2004A Refunding	\$ 1,550,000	\$ -	\$ 1,550,000	\$ -	\$ 28,188
2006A Refunding & Improvement	38,610,000	-	5,845,000	32,765,000	1,728,800
2012A Refunding	9,615,000	-	105,000	9,510,000	191,250
2013A Improvement	36,000,000	-	-	36,000,000	1,349,237
2014A Improvement	-	36,000,000	-	36,000,000	-
Capital Leases					
Energy Savings Equipment	1,257,035	-	74,405	1,182,630	61,595
Athletics Fields/Equipment - Phase I	2,687,952	-	2,687,952	-	66,979
Athletics Fields/Equipment - Phase II	2,340,000	-	420,000	1,920,000	119,527
Technology Equipment	1,613,449	-	532,527	1,080,922	15,973
Athletics Fields/Equipment - Phase I Refinancing	-	2,521,898	532,527	2,250,698	20,553
Total	<u>\$ 93,673,436</u>	<u>\$ 38,521,898</u>	<u>\$ 11,747,411</u>	<u>\$ 120,709,250</u>	<u>\$ 3,582,102</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2015

NOTE 3 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2016	\$ 7,050,000	\$ 4,548,744	\$ 11,598,744
2017	4,865,000	4,070,837	8,935,837
2018	5,060,000	3,880,712	8,940,712
2019	5,275,000	3,665,138	8,940,138
2020	5,485,000	3,449,588	8,934,588
2021-2025	31,385,000	13,380,214	44,765,214
2026-2030	27,505,000	7,828,456	35,333,456
2031-2035	27,650,000	2,608,350	30,258,350
Total	<u>\$ 114,275,000</u>	<u>\$ 43,432,039</u>	<u>\$ 157,707,039</u>

Annual debt service requirements to maturity for the capital leases are as follows:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2016	\$ 1,613,898	\$ 199,798	\$ 1,813,696
2017	1,656,229	157,429	1,813,658
2018	1,161,652	113,264	1,274,916
2019	1,199,809	72,397	1,272,206
2020	98,883	39,331	138,214
2021-2025	572,022	119,048	691,070
2026	131,757	6,456	138,213
Total	<u>\$ 6,434,250</u>	<u>\$ 707,723</u>	<u>\$ 7,141,973</u>

In prior years, the District has defeased certain other outstanding debt obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the District's financial statements. At June 30, 2015, the District had \$8,330,000 of outstanding defeased debt.

The District is subject to Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Bond and Interest Fund with future tax assessments. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-6761.

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District's ratio of outstanding bonded debt to the assessed valuation as of June 30, 2015 was 11.24%.

NOTE 4 - Capital Projects

At year-end, capital project authorizations compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures To Date</u>
School Building & Athletic Field Improvements	\$ 95,050,177	\$ 94,764,308
School Facilities & Technology Upgrade - Phase I	\$ 94,802,323	\$ 69,671,694

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2015

NOTE 5 - Compensated Absences

It is the District's policy to pay employees' accrued vacation pay upon termination of employment. Administrative and classified employees are eligible for this compensation. As of June 30, 2015, the liability for accrued vacation pay was \$756,778. A current portion, ten days, is reflected in the financial statements as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 93,952
Supplemental General	245,743
Adult Basic Education	8,156
Virtual Education	10,382
At-Risk (4 Year Old)	2,018
Food Service	10,097
Bilingual	2,897
Special Education	16,937
Vocational Education	<u>4,610</u>
Total	<u>\$ 394,792</u>

NOTE 6 - Defined Benefit Pension Plan

Plan description - The District participates in the Kansas Public Employees Retirement System (KPERS). KPERS is cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A 74-4901 *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share.

Net Pension Liability. The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014, the net pension liability for KPERS was \$8,291,794,910. KPERS has determined the District's proportionate share of the net pension liability is \$99,422,518 as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available at www.kpers.org or can be obtained as described in the first paragraph above.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2015

NOTE 7 - Termination Benefits

The District also has a plan which covers District employees who voluntarily take early retirement. An employee is eligible for early retirement if such employee is a full time employee, not less than 57 years old and not more than 64 years old, has fifteen years or more of service with the District, and twenty years or more of service credit recognized by the Kansas Public Employees Retirement System (KPERs).

The benefits from this plan are computed using a formula based upon salary, age, and KPERs service credit and are payable over a five year period in January of each year. The cost of this plan in the fiscal year ended June 30, 2015, was \$1,053,827. The outstanding liability reflected in the financial statements for the retirees payable in January, 2014, is as follows:

<u>Funds</u>	<u>Amount</u>
Supplemental General	<u>\$ 1,053,827</u>
Total	<u>\$ 1,053,827</u>

The outstanding liability payable from January, 2016, through January, 2020, is \$3,124,793. Above, only the January, 2016 payment is reflected in the financial statements as an account payable.

NOTE 8 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past fiscal years.

Workers' Compensation. The District has established a limited risk management program for workers' compensation. Premiums are paid into the School Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the School Workers' Compensation Reserve Fund. As of June 30, 2015, such interfund premiums did not exceed reimbursable expenditures.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Actual payment of claims and judgments is reported in the School Workers' Compensation Reserve Fund. Changes in the balance of claims liabilities during the past year are as follows:

Unpaid claims, July 1, 2014	\$ 617,255
Incurred claims (including IBNRs)	217,362
Claim payments and adjustments	<u>[252,714]</u>
Unpaid claims, June 30, 2015	<u>\$ 581,903</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2015

NOTE 9 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statements of the District at June 30, 2015.

The District's general obligation bond issues are subject to the arbitrage provisions of Section 148 of the Internal Revenue Code. These provisions include the potential for rebates to the Federal Government of the earnings on the bond proceeds in excess of the yield on the bonds. The amounts of any future rebates due on other bonds or temporary notes have not been determined.

On September 24, 2015, the Universal Service Administrative Company (USAC) rescinded certain e-rate reimbursements received by the District for the 2011-2012 funding years because of competitive bidding violations. The amount of the District's potential liability due to these rescinded reimbursements is approximately \$325,000. The District has filed an appeal with USAC, but a response to the appeal had not been received as of the date of the financial statements.

The District is a defendant in various other lawsuits. The outcome of these lawsuits is not presently determinable. However, the resolution of these matters will not likely have a material adverse effect on the financial condition of the District.

NOTE 10 - Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2015

NOTE 11 - Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Bilingual Education	K.S.A. 72-6428	\$ 46,808
General	Special Education	K.S.A. 72-6428	12,530,542
General	Vocational Education	K.S.A. 72-6428	100,091
General	Virtual Education	K.S.A. 72-6428	3,885,761
General	At Risk (4 Year Old)	K.S.A. 72-6428	10,000
General	Contingency Reserve	K.S.A. 72-6428	598,912
General	Health Care Services Reserve	K.S.A. 72-6428	3,659,512
General	School Workers' Compensation Reserve	K.S.A. 72-6428	169,466
Supplemental General	Bilingual Education	K.S.A. 72-6433	600,000
Supplemental General	Special Education	K.S.A. 72-6433	5,702,739
Supplemental General	Vocational Education	K.S.A. 72-6433	1,469,241
Supplemental General	Health Care Services Reserve	K.S.A. 72-6433	755,728
Supplemental General	School Workers' Compensation Reserve	K.S.A. 72-6428	44,155
Supplemental General	Professional Development	K.S.A. 72-6433	320,150
Supplemental General	Parent Education Program	K.S.A. 72-6433	18,000
Supplemental General	At Risk (4 Year Old)	K.S.A. 72-6433	84,633
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	1,851,881
Adult Basic Education	School Workers' Compensation Reserve	K.S.A. 44-505e	1,479
Adult Basic Education	Health Care Services Reserve	K.S.A. 72-8415a	22,136
Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	10,058
Grants	Health Care Services Reserve	K.S.A. 72-8415a	255,625
Parent Education Program	School Workers' Compensation Reserve	K.S.A. 44-505e	704
Parent Education Program	Health Care Services Reserve	K.S.A. 72-8415a	18,231
Summer School	School Workers' Compensation Reserve	K.S.A. 44-505e	81
Professional Development	School Workers' Compensation Reserve	K.S.A. 44-505e	527
Food Service	School Workers' Compensation Reserve	K.S.A. 44-505e	8,069
Food Service	Health Care Services Reserve	K.S.A. 72-8415a	254,916
Driver Training	School Workers' Compensation Reserve	K.S.A. 44-505e	158
Bilingual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	2,712
Bilingual Education	Health Care Services Reserve	K.S.A. 72-8415a	68,959
At Risk (K-12)	School Workers' Compensation Reserve	K.S.A. 44-505e	19,878
At Risk (K-12)	Health Care Services Reserve	K.S.A. 72-8415a	462,742
At Risk (4 Year Old)	School Workers' Compensation Reserve	K.S.A. 44-505e	2,056
At Risk (4 Year Old)	Health Care Services Reserve	K.S.A. 72-8415a	44,434
Vocational Education	School Workers' Compensation Reserve	K.S.A. 44-505e	7,474
Vocational Education	Health Care Services Reserve	K.S.A. 72-8415a	139,002
Virtual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	10,163
Virtual Education	Health Care Services Reserve	K.S.A. 72-8415a	187,197
Special Education	School Workers' Compensation Reserve	K.S.A. 44-505e	75,841
Special Education	Health Care Services Reserve	K.S.A. 72-8415a	2,291,379
Local Donations	School Workers' Compensation Reserve	K.S.A. 44-505e	84
Total			<u>\$ 35,731,524</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2015

NOTE 12 - Tax-Deferred 403(b) Retirement Plan

The District offers its employees a retirement plan ("Plan") created in accordance with Internal Revenue Code Section 403(b). The Plan, available to all District employees, permits them to save additional funds for retirement. The investment options under the Plan include annuity contracts and/or custodial accounts. Employees may elect to have make contributions of deferred salaries/wages to the Plan to the extent permitted by the Plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan participants are 100% vested in any elective deferral contributions made to the Plan as of the date such contribution is made.

In addition to the elective deferral plan described above, the District offers a Non-Elective Contribution Employer Paid Deferred Benefit 403(b) Plan ("Employer Paid Plan") for each professional employee employed at least half time in the District. This account is separate from any professional employee paid deferred benefit account, and no employee contributions, via salary reduction or otherwise, shall be allowed into the account.

The district will contribute \$60 per month (\$720 annually) into each full time professional employee's Employer Paid Plan. Professional employees employed on a less than half time basis during a contract year are not eligible to receive contributions into his/her Employer Paid Plan. Contributions will be prorated for professional employees who work less than full time in a certified position.

<u>FTE</u>	<u>Contribution</u>
.95 - 1.00	\$ 60
.85 - .94	54
.75 - .84	48
.65 - .74	42
.55 - .64	36
.50 - .54	30
Less than .50	-

A professional employee's ownership interest in his or her Employer Paid Plan shall vest in yearly increments. A professional employee will receive one year of vesting credit for each contract year completed, starting with the 2008-09 contract year, in which the professional employee is employed at least half time with the district. The following vesting schedule will be used to determine the professional employee's ownership interest in the funds in the account:

Year 1	0%
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6	100%

District contributions to employees' Employer Paid Plans for the years ending June 30, 2015 and 2014 were \$1,180,024 and \$1,158,323, respectively.

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Funds:						
General Fund	\$ 70,177,277	\$ [3,131,134]	\$ 762,510	\$ 67,808,653	\$ 67,808,653	\$ -
Supplemental General	23,884,179	[586,997]	15,813	23,312,995	23,312,995	-
Special Purpose Funds:						
Adult Basic Education	655,000	-	-	655,000	365,374	289,626
At Risk (4 Year Old)	725,000	-	-	725,000	523,996	201,004
Adult Supplemental Education	25,981	-	-	25,981	-	25,981
At Risk (K-12)	6,530,000	-	-	6,530,000	4,847,974	1,682,026
Bilingual Education	711,000	-	-	711,000	708,895	2,105
Virtual Education	7,000,000	-	-	7,000,000	4,893,713	2,106,287
Capital Outlay	15,485,000	-	-	15,485,000	10,108,316	5,376,684
Driver Training	105,000	-	-	105,000	39,598	65,402
Food Service	6,000,000	-	-	6,000,000	4,826,751	1,173,249
Professional Development	690,000	-	-	690,000	572,303	117,697
Parent Education Program	240,000	-	-	240,000	183,685	56,315
Summer School	186,500	-	-	186,500	22,751	163,749
Special Education	25,000,000	-	-	25,000,000	23,202,876	1,797,124
Cost of Living	1,290,500	-	-	1,290,500	1,290,500	-
Vocational Education	2,100,000	-	-	2,100,000	2,028,326	71,674
KPERS Special Retirement Contribution	8,570,277	-	-	8,570,277	7,115,475	1,454,802
Grants	2,775,402	-	-	2,775,402	2,975,129	[199,727]
Bond and Interest Funds:						
Bond and Interest	11,802,476	-	-	11,802,476	10,797,475	1,005,001
Special Assessment	250,000	-	-	250,000	83,952	166,048

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
General Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 18,485,945	\$ -	\$ -	\$ -
Delinquent tax	248,030	14	-	14
State Aid:				
Equalization aid	36,463,061	55,094,254	57,180,777	[2,086,523]
Juvenile detention center	250,237	290,457	-	290,457
Special education aid	12,076,534	11,928,486	12,996,500	[1,068,014]
Miscellaneous	-	31,204	-	31,204
Reimbursed expenses	1,024,709	472,053	-	472,053
Total Receipts	<u>68,548,516</u>	<u>67,816,468</u>	<u>\$ 70,177,277</u>	<u>\$ [2,360,809]</u>
Expenditures				
Instruction	29,119,280	30,383,465	\$ 33,213,767	\$ 2,830,302
Student support services	2,716,169	2,762,766	2,865,000	102,234
Instructional support	1,873,680	1,875,839	1,950,000	74,161
General administration	177,658	138,656	189,500	50,844
School administration	369,048	397,698	417,500	19,802
Operations and maintenance	8,001,513	7,349,015	8,571,900	1,222,885
Transportation	312,213	302,224	300,000	[2,224]
Other supplemental services	2,596,601	3,597,898	1,277,500	[2,320,398]
Transfers out	23,414,260	21,001,092	21,392,110	391,018
Adjustment to comply with legal max budget	-	-	[3,131,134]	[3,131,134]
Adjustment for qualifying budget credits	-	-	762,510	762,510
Total Expenditures	<u>68,580,422</u>	<u>67,808,653</u>	<u>\$ 67,808,653</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[31,906]	7,815		
Unencumbered Cash, Beginning	<u>31,906</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 7,815</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Supplemental General Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 17,452,216	\$ 15,864,771	\$ 14,323,742	\$ 1,541,029
Delinquent tax	247,915	246,756	266,048	[19,292]
Motor vehicle tax	1,627,734	1,704,792	1,517,627	187,165
Reimbursed expenses	14,862	15,813	-	15,813
State aid	3,681,369	4,768,517	5,985,375	[1,216,858]
Total Receipts	<u>23,024,096</u>	<u>22,600,649</u>	<u>\$ 22,092,792</u>	<u>\$ 507,857</u>
Expenditures				
Instruction	1,098,183	796,534	\$ 1,798,104	\$ 1,001,570
Student support services	109,425	196,486	116,325	[80,161]
Instructional support	1,337,574	1,565,279	1,485,000	[80,279]
General administration	400,568	393,873	427,750	33,877
School administration	4,299,373	4,311,882	4,730,000	418,118
Operations and maintenance	46,539	573,960	50,000	[523,960]
Transportation	1,599,397	1,695,844	1,700,000	4,156
Other supplemental services	2,648,231	2,932,610	2,869,000	[63,610]
Transfers out	11,992,956	10,846,527	10,708,000	[138,527]
Adjustment to comply with legal max budget	-	-	[586,997]	[586,997]
Adjustment for qualifying budget credits	-	-	15,813	15,813
Total Expenditures	<u>23,532,246</u>	<u>23,312,995</u>	<u>\$ 23,312,995</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[508,150]	[712,346]		
Unencumbered Cash, Beginning	<u>2,299,538</u>	<u>1,791,388</u>		
Unencumbered Cash, Ending	<u>\$ 1,791,388</u>	<u>\$ 1,079,042</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Adult Basic Education Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 247,253	\$ 485,591	\$ 457,338	\$ 28,253
Delinquent tax	4,491	4,138	3,715	423
Motor vehicle tax	34,734	39,819	29,629	10,190
Federal aid	87,598	72,324	69,358	2,966
State aid	58,936	51,853	52,911	[1,058]
Reimbursed expenses	371	383	-	383
Miscellaneous	6,625	5,274	-	5,274
Total Receipts	<u>440,008</u>	<u>659,382</u>	<u>\$ 612,951</u>	<u>\$ 46,431</u>
Expenditures				
Instruction	289,173	282,505	\$ 545,535	\$ 263,030
Student support services	19,166	19,923	39,500	19,577
Instructional support staff	39,638	39,331	69,965	30,634
Transfers out	21,800	23,615	-	[23,615]
Total Expenditures	<u>369,777</u>	<u>365,374</u>	<u>\$ 655,000</u>	<u>\$ 289,626</u>
Receipts Over [Under] Expenditures	70,231	294,008		
Unencumbered Cash, Beginning	<u>549,497</u>	<u>619,728</u>		
Unencumbered Cash, Ending	<u>\$ 619,728</u>	<u>\$ 913,736</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (4 Year Old) Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Receipts				
Miscellaneous	\$ 330,959	\$ 202,712	\$ 125,000	\$ 77,712
Donations	100,000	-	-	-
Reimbursed expenses	1,137	1,130	-	1,130
Transfers in	150,000	94,633	150,000	[55,367]
Total Receipts	<u>582,096</u>	<u>298,475</u>	<u>\$ 275,000</u>	<u>\$ 23,475</u>
Expenditures				
Instruction	322,824	339,147	\$ 470,850	\$ 131,703
Student support services	47,724	48,161	87,500	39,339
Instructional support staff	20,888	11,100	74,300	63,200
School administration	77,671	79,098	92,350	13,252
Transfers out	42,054	46,490	-	[46,490]
Total Expenditures	<u>511,161</u>	<u>523,996</u>	<u>\$ 725,000</u>	<u>\$ 201,004</u>
Receipts Over [Under] Expenditures	70,935	[225,521]		
Unencumbered Cash, Beginning	<u>507,651</u>	<u>578,586</u>		
Unencumbered Cash, Ending	<u>\$ 578,586</u>	<u>\$ 353,065</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Adult Supplemental Education Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive <u>[Negative]</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	<u>-</u>	<u>-</u>
Expenditures				
Instruction	-	-	\$ 25,981	\$ 25,981
Total Expenditures	-	-	<u>\$ 25,981</u>	<u>\$ 25,981</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>25,982</u>	<u>25,982</u>		
Unencumbered Cash, Ending	<u>\$ 25,982</u>	<u>\$ 25,982</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year	Current Year		Variance Positive [Negative]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Receipts				
Transfers in	\$ 5,012,760	\$ 1,851,881	\$ 5,000,000	\$ [3,148,119]
Reimbursed expenses	<u>13,333</u>	<u>11,542</u>	<u>-</u>	<u>11,542</u>
Total Receipts	<u>5,026,093</u>	<u>1,863,423</u>	<u>\$ 5,000,000</u>	<u>\$ [3,136,577]</u>
Expenditures				
Instruction	5,174,176	4,330,949	\$ 6,489,000	\$ 2,158,051
Student support services	-	-	41,000	41,000
Instructional support staff	32,877	34,405	-	[34,405]
Transfers out	<u>538,584</u>	<u>482,620</u>	<u>-</u>	<u>[482,620]</u>
Total Expenditures	<u>5,745,637</u>	<u>4,847,974</u>	<u>\$ 6,530,000</u>	<u>\$ 1,682,026</u>
Receipts Over [Under] Expenditures	[719,544]	[2,984,551]		
Unencumbered Cash, Beginning	<u>3,704,095</u>	<u>2,984,551</u>		
Unencumbered Cash, Ending	<u>\$ 2,984,551</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Receipts				
Transfers in	\$ 631,735	\$ 646,808	\$ 655,000	\$ [8,192]
Reimbursed expenses	<u>1,817</u>	<u>1,333</u>	<u>-</u>	<u>1,333</u>
Total Receipts	<u>633,552</u>	<u>648,141</u>	<u>\$ 655,000</u>	<u>\$ [6,859]</u>
Expenditures				
Instruction	319,150	382,926	\$ 406,000	\$ 23,074
Student support services	95,488	101,327	104,500	3,173
Instructional support	173,043	152,971	200,500	47,529
Transfers out	<u>83,132</u>	<u>71,671</u>	<u>-</u>	<u>[71,671]</u>
Total Expenditures	<u>670,813</u>	<u>708,895</u>	<u>\$ 711,000</u>	<u>\$ 2,105</u>
Receipts Over [Under] Expenditures	[37,261]	[60,754]		
Unencumbered Cash, Beginning	<u>98,015</u>	<u>60,754</u>		
Unencumbered Cash, Ending	<u>\$ 60,754</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Virtual Education Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursed expenses	\$ 9,420	\$ 5,239	\$ -	\$ 5,239
Transfers in	<u>5,573,160</u>	<u>3,885,761</u>	<u>6,230,610</u>	<u>[2,344,849]</u>
Total Receipts	<u>5,582,580</u>	<u>3,891,000</u>	<u>\$ 6,230,610</u>	<u>\$ [2,339,610]</u>
Expenditures				
Instruction	4,976,139	4,119,407	\$ 6,440,100	\$ 2,320,693
Student support services	3,810	940	5,000	4,060
Instructional support	8,656	13,102	5,000	[8,102]
School administration	443,568	516,514	494,000	[22,514]
Operations and maintenance	46,380	46,390	55,900	9,510
Transfers out	<u>148,140</u>	<u>197,360</u>	<u>-</u>	<u>[197,360]</u>
Total Expenditures	<u>5,626,693</u>	<u>4,893,713</u>	<u>\$ 7,000,000</u>	<u>\$ 2,106,287</u>
Receipts Over [Under] Expenditures	[44,113]	[1,002,713]		
Unencumbered Cash, Beginning	<u>1,046,826</u>	<u>1,002,713</u>		
Unencumbered Cash, Ending	<u>\$ 1,002,713</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 7,798,841	\$ 7,864,308	\$ 7,358,288	\$ 506,020
Delinquent tax	94,078	102,379	118,913	[16,534]
Motor vehicle tax	637,164	752,113	674,482	77,631
Investment income	20,578	19,064	25,000	[5,936]
Reimbursed expenses	279,658	29,452	-	29,452
Lease proceeds	2,132,352	-	-	-
Donations	965,000	-	-	-
Miscellaneous	853,242	443,340	3,000,000	[2,556,660]
State aid	-	177,300	319,852	[142,552]
Flood control	17,576	19,994	15,000	4,994
Total Receipts	<u>12,798,489</u>	<u>9,407,950</u>	<u>\$ 11,511,535</u>	<u>\$ [2,103,585]</u>
Expenditures				
Instruction	5,289,415	2,792,119	\$ 4,200,000	\$ 1,407,881
Student support services	2,710	106	25,000	24,894
Instructional support	108,302	86,893	135,000	48,107
General administration	5,354	970	25,000	24,030
School administration	48,541	100,080	25,000	[75,080]
Operations and maintenance	400,034	300,953	300,000	[953]
Central support services	664,734	328,444	625,000	296,556
Other support services	129,013	204,511	50,000	[154,511]
Facility acquisition and construction services	8,161,249	6,294,240	10,100,000	3,805,760
Total Expenditures	<u>14,809,352</u>	<u>10,108,316</u>	<u>\$ 15,485,000</u>	<u>\$ 5,376,684</u>
Receipts Over [Under] Expenditures	[2,010,863]	[700,366]		
Unencumbered Cash, Beginning	<u>9,178,928</u>	<u>7,168,065</u>		
Unencumbered Cash, Ending	<u>\$ 7,168,065</u>	<u>\$ 6,467,699</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Driver Training Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Receipts				
State aid	\$ 8,160	\$ 10,044	\$ 25,500	\$ [15,456]
Charges for services	<u>16,540</u>	<u>21,285</u>	<u>25,000</u>	<u>[3,715]</u>
Total Receipts	<u>24,700</u>	<u>31,329</u>	<u>\$ 50,500</u>	<u>\$ [19,171]</u>
Expenditures				
Instruction	22,044	28,558	\$ 88,625	\$ 60,067
Instructional support	5,740	6,709	1,375	[5,334]
Operations and maintenance	9,534	4,173	15,000	10,827
Transfers out	<u>135</u>	<u>158</u>	<u>-</u>	<u>[158]</u>
Total Expenditures	<u>37,453</u>	<u>39,598</u>	<u>\$ 105,000</u>	<u>\$ 65,402</u>
Receipts Over [Under] Expenditures	[12,753]	[8,269]		
Unencumbered Cash, Beginning	<u>71,142</u>	<u>58,389</u>		
Unencumbered Cash, Ending	<u>\$ 58,389</u>	<u>\$ 50,120</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Food Service Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Receipts				
Federal aid	\$ 2,702,515	\$ 2,817,299	\$ 2,665,982	\$ 151,317
State aid	45,688	45,395	46,560	[1,165]
Charges for services	1,840,391	1,885,074	3,344,416	[1,459,342]
Investment income	100	108	-	108
Total Receipts	<u>4,588,694</u>	<u>4,747,876</u>	<u>\$ 6,056,958</u>	<u>\$ [1,309,082]</u>
Expenditures				
Food service operation	4,393,743	4,563,766	\$ 6,000,000	\$ 1,436,234
Transfers out	250,075	262,985	-	[262,985]
Total Expenditures	<u>4,643,818</u>	<u>4,826,751</u>	<u>\$ 6,000,000</u>	<u>\$ 1,173,249</u>
Receipts Over [Under] Expenditures	[55,124]	[78,875]		
Unencumbered Cash, Beginning	<u>1,150,012</u>	<u>1,094,888</u>		
Unencumbered Cash, Ending	<u>\$ 1,094,888</u>	<u>\$ 1,016,013</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Professional Development Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Receipts				
Miscellaneous	\$ 14,492	\$ 2,102	\$ 25,000	\$ [22,898]
Reimbursed expenses	1,175	-	-	-
Donations	1,000	-	-	-
Transfers in	450,000	320,150	450,000	[129,850]
Total Receipts	<u>466,667</u>	<u>322,252</u>	<u>\$ 475,000</u>	<u>\$ [152,748]</u>
Expenditures				
Instructional support	566,043	566,980	\$ 675,000	\$ 108,020
Central services	-	-	15,000	15,000
Student support services	199	320	-	[320]
Other supplemental service	13,661	4,476	-	[4,476]
Transfers out	945	527	-	[527]
Total Expenditures	<u>580,848</u>	<u>572,303</u>	<u>\$ 690,000</u>	<u>\$ 117,697</u>
Receipts Over [Under] Expenditures	[114,181]	[250,051]		
Unencumbered Cash, Beginning	<u>364,232</u>	<u>250,051</u>		
Unencumbered Cash, Ending	<u>\$ 250,051</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Parent Education Program Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Receipts				
State aid	\$ 126,962	\$ 126,962	\$ 126,962	\$ -
Miscellaneous	15,705	30,360	25,000	5,360
Transfers in	18,000	18,000	18,000	-
Total Receipts	<u>160,667</u>	<u>175,322</u>	<u>\$ 169,962</u>	<u>\$ 5,360</u>
Expenditures				
Support services	144,807	162,507	\$ 220,000	\$ 57,493
Instructional support staff	6,221	2,243	20,000	17,757
Transfers out	15,056	18,935	-	[18,935]
Total Expenditures	<u>166,084</u>	<u>183,685</u>	<u>\$ 240,000</u>	<u>\$ 56,315</u>
Receipts Over [Under] Expenditures	[5,417]	[8,363]		
Unencumbered Cash, Beginning	<u>86,895</u>	<u>81,478</u>		
Unencumbered Cash, Ending	<u>\$ 81,478</u>	<u>\$ 73,115</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Summer School Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Receipts				
Charges for services	\$ 26,845	\$ 41,974	\$ 25,000	\$ 16,974
Total Receipts	<u>26,845</u>	<u>41,974</u>	<u>\$ 25,000</u>	<u>\$ 16,974</u>
Expenditures				
Instruction	16,762	22,670	\$ 181,000	\$ 158,330
Instructional support staff	-	-	5,500	5,500
Transfers out	<u>82</u>	<u>81</u>	<u>-</u>	<u>[81]</u>
Total Expenditures	<u>16,844</u>	<u>22,751</u>	<u>\$ 186,500</u>	<u>\$ 163,749</u>
Receipts Over [Under] Expenditures	10,001	19,223		
Unencumbered Cash, Beginning	<u>168,326</u>	<u>178,327</u>		
Unencumbered Cash, Ending	<u>\$ 178,327</u>	<u>\$ 197,550</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Special Education Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Receipts				
State aid	\$ 5,906	\$ 5,682	\$ 10,000	\$ [4,318]
Federal aid	2,355,933	2,383,388	3,046,647	[663,259]
Reimbursed expenses	908,760	752,755	-	752,755
Transfers in	17,914,337	18,233,281	17,996,500	236,781
Total Receipts	<u>21,184,936</u>	<u>21,375,106</u>	<u>\$ 21,053,147</u>	<u>\$ 321,959</u>
Expenditures				
Instruction	12,968,383	13,609,851	\$ 17,029,850	\$ 3,419,999
Student support services	3,165,509	3,165,278	3,870,000	704,722
Instructional support staff	856,354	1,097,231	1,173,000	75,769
General administration	-	2,082	-	[2,082]
Operations and maintenance	8,378	10,301	17,150	6,849
Vehicle operating services	2,784,324	2,950,913	2,900,000	[50,913]
Other supplemental services	-	-	10,000	10,000
Transfers out	2,185,657	2,367,220	-	[2,367,220]
Total Expenditures	<u>21,968,605</u>	<u>23,202,876</u>	<u>\$ 25,000,000</u>	<u>\$ 1,797,124</u>
Receipts Over [Under] Expenditures	[783,669]	[1,827,770]		
Unencumbered Cash, Beginning	<u>9,687,795</u>	<u>8,904,126</u>		
Unencumbered Cash, Ending	<u>\$ 8,904,126</u>	<u>\$ 7,076,356</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Cost of Living Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 1,162,903	\$ 1,179,263	\$ 1,170,694	\$ 8,569
Delinquent tax	15,252	15,648	17,780	[2,132]
Motor vehicle tax	95,206	105,235	93,331	11,904
Total Receipts	<u>1,273,361</u>	<u>1,300,146</u>	<u>\$ 1,281,805</u>	<u>\$ 18,341</u>
Expenditures				
State payment	<u>1,290,500</u>	<u>1,290,500</u>	<u>\$ 1,290,500</u>	<u>\$ -</u>
Total Expenditures	<u>1,290,500</u>	<u>1,290,500</u>	<u>\$ 1,290,500</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[17,139]	9,646		
Unencumbered Cash, Beginning	<u>25,833</u>	<u>8,694</u>		
Unencumbered Cash, Ending	<u>\$ 8,694</u>	<u>\$ 18,340</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Vocational Education Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Receipts				
Reimbursed expenses	\$ 3,606	\$ 56,427	\$ -	\$ 56,427
Miscellaneous	2,896	465	106,500	[106,035]
Transfers in	<u>1,528,000</u>	<u>1,569,332</u>	<u>1,600,000</u>	<u>[30,668]</u>
Total Receipts	<u>1,534,502</u>	<u>1,626,224</u>	<u>\$ 1,706,500</u>	<u>\$ [80,276]</u>
Expenditures				
Instruction	1,487,938	1,716,732	\$ 1,928,500	\$ 211,768
Instructional support	142,703	165,118	161,500	[3,618]
Operations and maintenance	967	-	10,000	10,000
Transfers out	<u>128,125</u>	<u>146,476</u>	<u>-</u>	<u>[146,476]</u>
Total Expenditures	<u>1,759,733</u>	<u>2,028,326</u>	<u>\$ 2,100,000</u>	<u>\$ 71,674</u>
Receipts Over [Under] Expenditures	[225,231]	[402,102]		
Unencumbered Cash, Beginning	<u>627,333</u>	<u>402,102</u>		
Unencumbered Cash, Ending	<u>\$ 402,102</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
KPERS Special Retirement Contribution Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 7,024,817	\$ 7,115,475	\$ 8,570,277	\$ [1,454,802]
Total Receipts	<u>7,024,817</u>	<u>7,115,475</u>	<u>\$ 8,570,277</u>	<u>\$ [1,454,802]</u>
Expenditures				
Instruction	4,950,246	4,906,431	\$ 5,909,581	\$ 1,003,150
Student support services	523,159	546,326	658,026	111,700
Instructional support	357,791	419,224	504,937	85,713
General administration	38,485	34,900	42,035	7,135
School administration	420,214	443,081	533,672	90,591
Operations and maintenance	312,754	313,598	377,715	64,117
Other supplemental services	263,843	247,125	297,651	50,526
Food service	158,325	204,790	246,660	41,870
Total Expenditures	<u>7,024,817</u>	<u>7,115,475</u>	<u>\$ 8,570,277</u>	<u>\$ 1,454,802</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Contingency Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Reimbursements	\$ 1,425	\$ 10,364
Transfers in	-	598,912
Total Receipts	<u>1,425</u>	<u>609,276</u>
Expenditures		
Instructional support	405,303	38,719
General administration	-	148,409
Other supplemental services	-	97,137
Total Expenditures	<u>405,303</u>	<u>284,265</u>
Receipts Over [Under] Expenditures	[403,878]	325,011
Unencumbered Cash, Beginning	<u>6,549,960</u>	<u>6,146,082</u>
Unencumbered Cash, Ending	<u>\$ 6,146,082</u>	<u>\$ 6,471,093</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Textbook Rental Fund *
Regulatory Basis
For the Year Ended June 30, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 20,857	\$ -
Total Receipts	<u>20,857</u>	<u>-</u>
Expenditures		
Instruction	<u>299,108</u>	<u>-</u>
Total Expenditures	<u>299,108</u>	<u>-</u>
Receipts Over [Under] Expenditures	[278,251]	-
Unencumbered Cash, Beginning	<u>278,251</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Student Material Revolving Fund *
Regulatory Basis
For the Year Ended June 30, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 831,359	\$ 821,929
Total Receipts	<u>831,359</u>	<u>821,929</u>
Expenditures		
Instruction	<u>645,308</u>	<u>1,345,657</u>
Total Expenditures	<u>645,308</u>	<u>1,345,657</u>
Receipts Over [Under] Expenditures	186,051	[523,728]
Unencumbered Cash, Beginning	<u>1,244,154</u>	<u>1,430,205</u>
Unencumbered Cash, Ending	<u>\$ 1,430,205</u>	<u>\$ 906,477</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Grants Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal Aid:				
Title I	\$ 1,501,893	\$ 1,698,436	\$ 1,800,000	\$ [101,564]
Title II A - Improving Teacher Quality	406,025	433,218	475,000	[41,782]
Carl Perkins Vocational Act Program Improvement	79,193	96,170	-	96,170
Title III-English as a Second Language	99,577	61,217	100,000	[38,783]
Johnson O'Malley Grant	174,425	129,488	-	129,488
Food Backpacks	-	119,758	-	119,758
Total Federal Aid	2,261,113	2,538,287	2,375,000	163,287
Other Receipts:				
Other grants and donations	119,415	53,480	275,000	[221,520]
Total Receipts	<u>2,380,528</u>	<u>2,591,767</u>	<u>\$ 2,650,000</u>	<u>\$ [58,233]</u>
Expenditures				
Instruction	1,607,514	1,976,266	\$ 1,924,402	\$ [51,864]
Student support services	87,563	114,388	109,000	[5,388]
Instructional support staff	168,099	318,661	742,000	423,339
General administration	11,850	6,425	-	[6,425]
Transportation	87,266	170,895	-	[170,895]
Food service operation	-	122,811	-	[122,811]
Transfers out	201,464	265,683	-	[265,683]
Total Expenditures	<u>2,163,756</u>	<u>2,975,129</u>	<u>\$ 2,775,402</u>	<u>\$ [199,727]</u>
Receipts Over [Under] Expenditures	216,772	[383,362]		
Unencumbered Cash, Beginning	<u>9,316</u>	<u>226,088</u>		
Unencumbered Cash, Ending	<u>\$ 226,088</u>	<u>\$ [157,274]</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	\$ 10,295,635	\$ 10,165,139	\$ 9,545,268	\$ 619,871
Delinquent tax	149,651	147,291	157,527	[10,236]
Motor vehicle tax	989,698	1,006,760	896,069	110,691
State aid	208,445	482,730	472,099	10,631
Investment income	26,242	5	-	5
Total Receipts	<u>11,669,671</u>	<u>11,801,925</u>	<u>\$ 11,070,963</u>	<u>\$ 730,962</u>
Expenditures				
Bond principal	7,340,000	7,500,000	\$ 7,500,000	\$ -
Interest	3,059,290	3,297,475	4,297,476	1,000,001
Commissions	-	-	5,000	5,000
Total Expenditures	<u>10,399,290</u>	<u>10,797,475</u>	<u>\$ 11,802,476</u>	<u>\$ 1,005,001</u>
Receipts Over [Under] Expenditures	1,270,381	1,004,450		
Unencumbered Cash, Beginning	<u>11,248,813</u>	<u>12,519,194</u>		
Unencumbered Cash, Ending	<u>\$ 12,519,194</u>	<u>\$ 13,523,644</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Special Assessment Fund
Regulatory Basis
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 1,984	\$ 64,066	\$ 60,933	\$ 3,133
Delinquent tax	1,586	852	-	852
Motor vehicle tax	16,576	5,140	4,524	616
Reimbursed expenses	<u>6,865</u>	<u>16,578</u>	<u>-</u>	<u>16,578</u>
Total Receipts	<u>27,011</u>	<u>86,636</u>	<u>\$ 65,457</u>	<u>\$ 21,179</u>
Expenditures				
Capital outlay	<u>74,710</u>	<u>83,952</u>	<u>\$ 250,000</u>	<u>\$ 166,048</u>
Total Expenditures	<u>74,710</u>	<u>83,952</u>	<u>\$ 250,000</u>	<u>\$ 166,048</u>
Receipts Over [Under] Expenditures	[47,699]	2,684		
Unencumbered Cash, Beginning	<u>476,218</u>	<u>428,519</u>		
Unencumbered Cash, Ending	<u>\$ 428,519</u>	<u>\$ 431,203</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Capital Projects Fund *
Regulatory Basis
For the Year Ended June 30, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Investment income	\$ 608,180	\$ 1,694,143
Bond proceeds	<u>36,000,000</u>	<u>36,000,000</u>
Total Receipts	<u>36,608,180</u>	<u>37,694,143</u>
Expenditures		
Instruction	-	2,275
General administration	61,008	52,048
Operations and maintenance	334,191	684,508
Business services	313,460	207,524
Food service operation	200,378	825,186
Building repair and remodeling	<u>50,893,520</u>	<u>16,046,683</u>
Total Expenditures	<u>51,802,557</u>	<u>17,818,224</u>
Receipts Over [Under] Expenditures	[15,194,377]	19,875,919
Unencumbered Cash, Beginning	<u>234,956</u>	<u>[14,959,421]</u>
Unencumbered Cash, Ending	<u>\$ [14,959,421]</u>	<u>\$ 4,916,498</u>

* These funds are not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
School Workers' Compensation Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 428,363	\$ 352,905
Reimbursed expenses	<u>22,321</u>	<u>6,445</u>
Total Receipts	<u>450,684</u>	<u>359,350</u>
Expenditures		
Instruction	345,826	276,064
General administration	<u>54,209</u>	<u>121,039</u>
Total Expenditures	<u>400,035</u>	<u>397,103</u>
Receipts Over [Under] Expenditures	50,649	[37,753]
Unencumbered Cash, Beginning	<u>2,178,706</u>	<u>2,229,355</u>
Unencumbered Cash, Ending	<u>\$ 2,229,355</u>	<u>\$ 2,191,602</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Health Care Services Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 1,817,325	\$ 1,756,093
Transfers in	7,316,452	8,159,861
Miscellaneous	<u>254</u>	<u>-</u>
Total Receipts	<u>9,134,031</u>	<u>9,915,954</u>
Expenditures		
Group insurance	9,733,650	10,419,383
Other insurance services	<u>11,250</u>	<u>-</u>
Total Expenditures	<u>9,744,900</u>	<u>10,419,383</u>
Receipts Over [Under] Expenditures	[610,869]	[503,429]
Unencumbered Cash, Beginning	<u>7,356,254</u>	<u>6,745,385</u>
Unencumbered Cash, Ending	<u>\$ 6,745,385</u>	<u>\$ 6,241,956</u>

* This fund is not required to be budgeted.

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 497
Trust Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2015

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Lawrence High School							
Heart of a Lion Fund	\$ -	\$ -	\$ 17,217	\$ 17,217	\$ -	\$ -	\$ -
Testing	-	-	41,600	41,600	-	-	-
School District Landscaping	-	-	1,504	1,504	-	-	-
Jennifer Trapp Memorial	580	-	-	580	-	-	-
Central Middle School							
Tom Olin Memorial	145	-	-	-	145	-	145
Teresa Lail Memorial	258	-	-	-	258	-	258
Duver Memorial	796	-	-	-	796	-	796
Alicia A. Chavez Memorial Fund	2,043	-	-	-	2,043	-	2,043
South Middle School							
Haskell CoOp	-	-	152	152	-	-	-
Cougar Relief	132	-	2,019	2,151	-	-	-
West Middle School							
Opportunity West	7,081	-	11,519	6,457	12,143	-	12,143
Carson Memorial	958	-	2	14	946	-	946
Cunningham Memorial	1,417	-	-	150	1,267	-	1,267
Lawrence Public Schools							
Memorial Funds	225,379	-	1,572	4,150	222,801	-	222,801
Local Donations Fund	566,380	-	285,995	188,157	664,218	22,153	686,371
Total Other Private Purpose Trust Funds	\$ 805,169	\$ -	\$ 361,580	\$ 262,132	\$ 904,617	\$ 22,153	\$ 926,770

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2015

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
ELEMENTARY SCHOOLS				
Cordley Elementary	\$ 135	\$ -	\$ 135	\$ -
Student Council	1	-	1	-
Just Say No Club	[154]	837	683	-
Instructional Enhancement	[12]	2,061	2,049	-
Yearbook				-
Total Cordley Activity Funds	[30]	2,898	2,868	-
Deerfield Elementary				
Coke Machine	-	504	504	-
Yearbook	-	3,050	3,050	-
Total Deerfield Activity Funds	-	3,554	3,554	-
Hillcrest Elementary				
6th Grade Trip	-	950	950	-
Library Media	-	118	118	-
Pop Machine	-	664	664	-
Total Hillcrest Activity Funds	-	1,732	1,732	-
Kennedy Elementary				
Library Media	-	155	155	-
Total Kennedy Activity Funds	-	155	155	-
Langston Hughes Elementary				
Field Trips	-	5,436	5,436	-
Library Media	-	192	192	-
Recorder Fund	-	270	270	-
Total Langston Hughes Activity Funds	-	5,898	5,898	-
Prairie Park Elementary				
Student Council	1,168	4,100	3,723	1,545
Total Prairie Park Activity Funds	1,168	4,100	3,723	1,545
Schwegler Elementary				
Yearbook	-	2,442	2,442	-
Library	-	276	276	-
Total Schwegler Activity Funds	-	2,718	2,718	-
Sunflower Elementary				
Student Council	2,362	1,955	1,747	2,570
Library Fund	-	96	96	-
Pop Machine Money	-	1,311	1,311	-
Picture Fund	-	3,789	3,789	-
Total Sunflower Activity Funds	2,362	7,151	6,943	2,570
Sunset Hill Elementary				
Lost Library Books	-	64	64	-
Total Sunset Hill Activity Funds	-	64	64	-
Woodlawn Elementary				
Lost Library Books	-	135	135	-
Student Council	112	-	-	112
Total Woodlawn Activity Funds	112	135	135	112
Total Elementary School Activity Funds	3,612	28,405	27,790	4,227

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2015

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
MIDDLE SCHOOLS				
Central Middle School				
Chess Club	\$ 235	\$ -	\$ -	\$ 235
Excalibur	4,572	150	1,770	2,952
Freshman Fund	197	-	-	197
Garden Club	866	380	1,165	81
Builder's Club	276	1,943	2,023	196
History Day	1,393	-	-	1,393
Pep Club	704	1,827	2,531	-
Black Leadership Group	-	148	-	148
Science Olympiad	-	624	108	516
Model UN / Gifted	-	97	-	97
Math Olympiad	-	22	-	22
Summer Basketball Camp	-	370	322	48
Music Department	-	26	-	26
P.E. Department	-	215	162	53
Tennis	-	54	38	16
Volleyball Program	-	261	12	249
Wrestling Program	-	207	-	207
Boys BB Program	-	639	-	639
Girls BB Program	-	101	-	101
Football Program	-	1,222	112	1,110
Student Incentive Program	-	1,752	-	1,752
Opportunity Central	-	36,712	21,677	15,035
Sales Tax	-	770	770	-
Speech and Drama	1,378	1,764	1,063	2,079
Student Council	1,033	886	797	1,122
Red Ribbon	310	-	-	310
National Junior Honor Society	329	-	-	329
Yearbook	534	1,361	1,846	49
Total Central Middle School Activity Funds	11,827	51,531	34,396	28,962
South Middle School				
Junior Players	3,430	5,356	4,545	4,241
International Club	754	-	-	754
Adventure Club	4,996	1,095	1,995	4,096
Physical Education	285	-	12	273
Student Council	3,978	23,003	20,943	6,038
Yearbook	877	3,529	2,000	2,406
South Singers	435	5,618	4,511	1,542
Cheerleaders	134	-	-	134
Band	213	604	459	358
Orchestra	6,021	5,325	5,495	5,851
Black Male Brothers	725	1,467	1,858	334
Women of Color	-	188	-	188
Garden Club	958	-	6	952
Cougar Grrrrl Power	12	600	399	213
Honor the Circle	158	-	-	158
S4EE (Students for Equity Excellence)	-	143	139	4
Total South Middle School Activity Funds	22,976	46,928	42,362	27,542
Southwest Middle School				
Student Council	8,716	18,465	14,733	12,448
Stuco-Bulldog Help	192	20	31	181
Chess Club	1,675	-	60	1,615
Math Club	419	120	-	539
Garden Fund	1,948	7,917	9,675	190
Future City Group	341	500	222	619
AVID	-	793	239	554
International Club	79	-	79	-
Volleyball/Girls BB	-	480	480	-
Game Shirts/Athletic Programs	-	1,452	1,452	-
BelCanto	-	13,855	13,855	-
Yearbook	-	20,307	20,307	-
6th Grade Activities	-	1,282	1,282	-
Seventh Grade Activities	-	801	801	-
Drama	-	7,683	7,683	-
Eighth Grade Activities	-	3,341	3,341	-
Enrichment	-	2,315	2,315	-
ER	-	1,367	1,367	-
Newspaper	-	22	22	-
SPED project	-	134	134	-
SW Business Partners	-	1,986	1,986	-
Band	-	4,332	4,332	-
Orchestra	-	163	163	-
T-shirt	-	-	-	-
Student Assistance	-	51	51	-
Library Book Fair/fines	-	3,012	3,012	-
Global Studies	-	743	743	-
ID Supplies	-	3,065	3,065	-
Total Southwest Middle School Activity Funds	13,370	94,206	91,430	16,146

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2015

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
MIDDLE SCHOOLS (Continued)				
West Middle School	\$ -	\$ 1,476	\$ 1,476	\$ -
Applebee's Fundraiser	307	139	99	347
Cheerleading Club	4,322	9,253	8,294	5,281
Speech and Drama	1,923	8,750	8,766	1,907
Student Council	6,113	10,887	10,867	6,133
Yearbook	4,336	6,136	7,482	2,990
Chorale	1,170	1,398	1,327	1,241
Instrumental Music	-	3,797	3,797	-
Carnival Fundraiser from POWW	199	2,430	2,374	255
Morgenroth Band	14	-	-	14
Library Book Fund	1,000	143	414	729
Track	205	-	-	205
Gifted	274	-	14	260
Principal's Fund	-	2,556	2,146	410
8th Grade Boys Basketball Fund	-	100	-	100
8th Grade Football Fund	-	6,403	6,403	-
Magazine Fundraiser	-	720	120	600
8th Grade Team Activities	1,612	-	304	1,308
7th Grade Team Activities	372	275	376	271
6th Grade Team Activities	-	3,034	3,034	-
Scholastic Book Fair	-	5,221	5,221	-
Concessions	260	139	-	399
8th Grade Volleyball	1,391	8,794	9,751	434
8th Grade Worlds of Fun	-	189	4	185
Social Studies--Meinking	-	2,830	2,806	24
7th Grade Fundraising	23,498	74,670	75,075	23,093
Total West Middle School Activity Funds	71,671	267,335	243,263	95,743
Total Middle School Activity Funds				
HIGH SCHOOLS				
Lawrence High School				
Alliance for Social Awareness	122	-	122	-
American Indian Club	576	4,576	5,050	102
Amnesty International Club	29	-	29	-
Auto/Power Mech Club	565	123	404	284
Aviation Club	108	-	108	-
AVID	-	1,271	946	325
Bike Club	51	-	51	-
Biology Club	105	-	105	-
Black American Club	160	-	160	-
Chess Club	-	1,106	986	120
Computer Club	91	-	91	-
DECA Chesty's Brew	400	-	400	-
DECA Club	-	8,233	8,220	13
DECA Lion's Den Merchandise	-	-	-	-
Disc Golf Club	29	-	29	-
Environmental/Recycle Club	358	105	81	382
Ewertmania	22	-	22	-
FBLA/Business Professionals	44	-	44	-
FCCLA	279	2,190	2,469	-
Fellowship of Christian Athletes	19	-	19	-
French Club	239	-	36	203
Future Farmers of America	628	159	709	78
Game Club	193	-	-	193
Gay & Straight Alliance	52	336	150	238
GCTL/FYI	1,122	4,656	5,064	714
Geography Club	115	-	-	115
German Club	625	-	-	625
Graffiti Magazine	48	202	250	-
Habitat for Humanity Club	1,174	1,810	489	2,495
HALO - Hispanic American Leadership Org	-	100	-	100
International Club	1,388	754	748	1,394
JAG	-	150	150	-
Jewelry Shop	952	-	-	952
Key Club	437	-	437	-
Latin Club	1,977	3,570	5,063	484
Latin Club - Courtyard	503	-	503	-
Media Club	289	-	-	289
Mud Volleyball	-	2,849	2,849	-
Musical Festival	-	4,492	4,492	-
My Little Pony Club	25	-	25	-
National Art Honor Society	47	-	-	47
National Honor Society	1,544	-	938	606
Outdoor Leadership Experience	2	-	2	-
Pink Out	-	1,465	1,124	341
Prom	-	5,352	4,693	659
Ski Club	25	-	25	-
Spanish Club	7	-	-	7
Student Council	1,970	12,400	13,012	1,358
Table Tennis Club	40	-	40	-
Teachers of Tomorrow	74	-	74	-
Theater Drama Club	1,310	-	23	1,287
VICA/COT	2,808	-	2,808	-
Subtotals to Schedule 4, page 4 of 5	20,552	55,899	63,040	13,411

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2015

	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
FUNDS				
HIGH SCHOOLS (Continued)				
Lawrence High School				
Subtotals from Schedule 4, page 3 of 5	\$ 20,552	\$ 55,899	\$ 63,040	\$ 13,411
Walt Whitman Fund	-	3,577	3,300	277
Writers Club	1	-	1	-
Y.E.K.	1	-	1	-
Young Feminists	-	257	136	121
Young Feminists Club	-	86	86	-
Young Democrats	63	-	-	63
Youth in Local Government	137	-	137	-
After Prom	-	2,590	2,590	-
At Risk	-	455	455	-
Baseball Program	-	20,401	20,401	-
Boys Basketball Program	-	2,636	2,636	-
Boys Soccer Program	-	11,161	11,161	-
Breakfast By Gentleman	-	48	48	-
C.P. Engineering Competition	-	720	720	-
Cap N Gown	-	10,838	10,838	-
Cross Country Program	-	2,298	2,298	-
Culinary	-	185	185	-
Diplomas, Past Years	-	98	98	-
Directed Studies	-	77	77	-
F&CS Interior Design Proj.	-	30	30	-
Film Festival/Showtime	-	1,757	1,757	-
French IV Trip	-	2	2	-
Gala	-	10,133	10,133	-
Girls Basketball Program	-	8,658	8,658	-
Girls Soccer Program	-	4,919	4,919	-
Hip Hop/Step	-	66	66	-
History Day Competition	-	2,812	2,812	-
Intramurals	-	647	647	-
Lawrence Youth Symphony	-	4,191	4,191	-
Leadership Symposium	-	387	387	-
LHS Strength and Conditioning	-	1,926	1,926	-
Link Crew	-	1,134	1,134	-
Model UN	-	2,928	2,928	-
Music Student Accounts	-	117,377	117,377	-
Paws for Pals/Can We Talk	-	4,121	4,121	-
Softball Program	-	10,780	10,780	-
Tennis Program	-	2,405	2,405	-
Volleyball Program	-	10,173	10,173	-
Welding Projects	-	278	278	-
Woodshop Projects	-	662	662	-
Total Lawrence High Activity Funds	<u>20,754</u>	<u>296,712</u>	<u>303,594</u>	<u>13,872</u>
Free State High School				
Advanced Placement/Knowledge Master	1,000	-	-	1,000
Anime	136	-	-	136
Badminton Club	4	-	-	4
Bike Club	42	-	-	42
Book Club	140	-	-	140
Business Professionals	82	1,498	759	821
Chess Club	796	17	81	732
Class of 2001	500	-	-	500
Class of 2004	500	-	500	-
Class of 2005	500	-	-	500
Class of 2006	500	-	-	500
Class of 2007	500	-	-	500
Class of 2008	500	-	-	500
Class of 2009	500	-	-	500
Class of 2010	499	1	-	500
Class of 2012	500	-	-	500
Class of 2013	500	-	-	500
Class of 2014	103	-	-	103
Class of 2015	168	566	-	734
Computer Club	344	-	-	344
Diversity Club	18	453	348	123
Environmental Club	69	-	-	69
Family Career & Community Leaders of America	-	2,879	2,077	802
Fellowship of Christian Athletes	264	-	-	264
Film Club/Firebird Productions	7,187	1,125	974	7,338
Free State Yoga Club	23	-	-	23
French Club	198	-	-	198
Future Farmers of America	1,696	8,035	8,748	983
GCTL/FYI	470	2,468	1,171	1,767
Geography Club	592	-	590	2
Hype Inc.	168	-	168	-
JAG - Jobs for American's Graduate	-	117	105	12
Key Club	830	2,884	2,983	731
Lawrence Free Poetry Club	-	504	456	48
Math Team	209	-	-	209
National Honor Society	3,720	8,202	5,596	6,326
Native American Club	203	1,597	1,792	8
Subtotals to Schedule 4, page 5 of 5	<u>23,461</u>	<u>30,346</u>	<u>26,348</u>	<u>27,459</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2015

	Beginning Cash			Ending Cash
	<u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u>
FUNDS				
HIGH SCHOOLS (Continued)				
Free State High School				
Subtotals from Schedule 4, page 4 of 5	\$ 23,461	\$ 30,346	\$ 26,348	\$ 27,459
Philosophy Club	17	-	-	17
Pre-Med Club	100	-	-	100
Random Acts of Kindness	250	690	445	495
Science Olympiad	362	1,149	1,435	76
Spanish Club	6	-	-	6
STEP	-	868	570	298
Student Council	14,583	20,333	24,926	9,990
Sweater Club	34	-	-	34
Thespians	457	2,566	512	2,511
Tolkien Club	399	581	405	575
VICA/CIT	2,017	1,332	2,121	1,228
Writers Club	515	-	-	515
YARC-Youth Against Rape Culture	-	85	39	46
Young Democrats Club	97	-	-	97
Baseball Account	13,546	28,389	31,477	10,458
Cap & Gown Rental	-	10,362	10,362	-
Camera Rental & Repair	1,869	60	171	1,758
Model UN	75	13,697	12,894	878
Free State Football	7,911	25,345	24,781	8,475
Free State Boys Soccer	-	32,118	32,088	30
Firebird Fund	692	597	1,198	91
Engineering Club - Special Projects	698	4,696	4,668	726
Free State Girls Soccer	373	17,276	13,503	4,146
Free State Girls Basketball	2,136	4,838	4,405	2,569
Parking Fines	2,789	2,106	2,300	2,595
Free State Boys Basketball	1,322	629	1,951	-
Student Planners	2,579	41	-	2,620
Free State Cross Country/Track	2,009	53,521	49,888	5,642
Special Education	71	-	-	71
Free State Boys Tennis	50	993	299	744
Free State Girls Tennis	258	-	-	258
Kelly Petry - Firebird Brick Fund	200	-	-	200
Golf	1,346	2,952	3,174	1,124
Girls Golf	606	741	775	572
Battle of the Bands	773	-	-	773
Grounds Beautification	610	-	-	610
Green & Silver	971	1,412	1,635	748
LINK	1,125	779	712	1,192
Math Awards	-	30	30	-
Autism	14	217	199	32
Freddie's Friends	43	-	-	43
SLEIPS	1,398	4,732	4,839	1,291
Can We Talk	-	2,135	2,134	1
LEAP	-	1,819	1,819	-
Shop Projects/Schwager	-	257	87	170
Free State Football (Additional)	74	-	-	74
Free State Softball	18,783	13,134	11,996	19,921
Testing Fund	6,674	49,828	51,766	4,736
Jewelry/Metal	1,520	452	5	1,967
Band Program (Additional)	3,990	38,285	36,253	6,022
Baseball (Additional)	1,769	-	-	1,769
Gay/Straight Alliance	111	-	-	111
Welding/Industrial Technology	56	-	-	56
Work Books	-	31	31	-
Free State Wrestling	761	5,217	4,554	1,424
Cartridge Recyclers	253	-	-	253
Volleyball	4,247	5,098	5,499	3,846
Winter Game Intramurals	70	999	620	449
Winter Classic Program	-	4,422	4,422	-
Firebird Pride	467	-	-	467
The Early Bird	339	825	873	291
Renaissance Committee	786	1,300	1,620	466
Bowling	2,154	3,009	2,326	2,837
Photo Enrichment	570	250	-	820
Girls Swim/Dive	1,244	10,374	10,586	1,032
Boys Swim/Dive	1,937	8,924	9,494	1,367
River City Baseball	7,659	19,998	27,657	-
CORE/DUB Club	400	-	-	400
Total Free State High Activity Funds	<u>139,626</u>	<u>429,838</u>	<u>429,892</u>	<u>139,572</u>
Total High School Activity Funds	<u>160,380</u>	<u>726,550</u>	<u>733,486</u>	<u>153,444</u>
Total Student Activity Funds	<u>235,663</u>	<u>1,022,290</u>	<u>1,004,539</u>	<u>253,414</u>
OTHER AGENCY FUNDS				
Sales Tax Fund	15,501	51,781	40,438	26,844
Health Reimbursement Account Fund	96,674	6	-	96,680
School and District Accounts	10,508	134,378	141,030	3,856
Payroll Clearing Fund	[2,369,179]	85,835,392	86,069,956	[2,603,743]
Concessions Fund	3,496	1,699	37	5,158
Total Other Agency Funds	<u>[2,243,000]</u>	<u>86,023,256</u>	<u>86,251,461</u>	<u>[2,471,205]</u>
Total Agency Funds	<u>\$ [2,007,337]</u>	<u>\$ 87,045,546</u>	<u>\$ 87,256,000</u>	<u>\$ [2,217,791]</u>

See independent auditor's report on the financial statements.

SCHEDULE 5

UNIFIED SCHOOL DISTRICT NO. 497
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2015

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Lawrence High School							
Activity Tickets and Other	\$ -	\$ -	\$ 28,296	\$ 28,271	\$ 25	\$ -	\$ 25
Athletics	-	-	112,093	112,093	-	-	-
Band	-	-	15,375	15,375	-	-	-
Theater/Showtime	-	-	9,236	9,236	-	-	-
Free State High School							
Activity Tickets and Other	-	-	46,773	46,773	-	-	-
Athletics	-	-	181,642	181,642	-	-	-
Band	-	-	5,796	5,796	-	-	-
Encore	-	-	50,917	50,917	-	-	-
Vocal	150	-	96,800	96,950	-	-	-
Central Middle School							
Gate Receipts	-	-	5,454	4,410	1,044	-	1,044
South Middle School							
Gate Receipts	-	-	10,356	10,356	-	-	-
Southwest Middle School							
Gate Receipts	-	-	7,407	7,407	-	-	-
West Middle School							
Gate Receipts	<u>2,879</u>	<u>-</u>	<u>6,206</u>	<u>5,712</u>	<u>3,373</u>	<u>-</u>	<u>3,373</u>
Total District Activity Funds	<u>\$ 3,029</u>	<u>\$ -</u>	<u>\$ 576,351</u>	<u>\$ 574,938</u>	<u>\$ 4,442</u>	<u>\$ -</u>	<u>\$ 4,442</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Restated Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Interior</u>					
Indian Education Assistance to Schools	15.130	\$ 3,995	\$ 129,488	\$ 149,591	\$ [16,108]
Total Direct U.S. Department of Interior		<u>3,995</u>	<u>129,488</u>	<u>149,591</u>	<u>[16,108]</u>
<u>U.S. Department of Education</u>					
Passed Through Kansas State Department of Education					
Title I Grants to Local Educational Agencies	84.010	123,326	1,698,436	2,048,886	[227,124]
Special Education Grants to States	84.027	-	2,241,712	2,241,712	-
Special Education Discretionary	84.027	-	79,744	80,943	[1,199]
Vocational Education Basic Grants to States	84.048	1,129	96,170	101,400	[4,101]
Special Education Preschool Grants	84.173	-	61,932	61,932	-
English Language Acquisition Grants	84.365	19,880	61,217	82,381	[1,284]
Improving Teacher Quality State Grants	84.367	<u>[22,930]</u>	<u>433,218</u>	<u>398,645</u>	<u>11,643</u>
Total Direct or Passed Through Kansas State Department of Education		<u>121,405</u>	<u>4,672,429</u>	<u>5,015,899</u>	<u>[222,065]</u>
<u>U.S. Department of Health and Human Services</u>					
Passed Through Kansas State Department of Education					
Youth Risk Behavior Survey	93.938	-	200	200	-
Total U.S. Department of Health and Human Services Passed Through Kansas Department of Education		<u>-</u>	<u>200</u>	<u>200</u>	<u>-</u>
<u>U.S. Department of Agriculture</u>					
Passed Through Kansas State Department of Education					
School Breakfast Program	10.553	-	474,298	474,298	-
National School Lunch Program	10.555	-	2,201,021	2,201,021	-
Summer Food Service Program for Children	10.559	-	141,480	141,480	-
Team Nutrition Training Grant	10.574	-	400	400	-
Farm to School Grant	10.575	-	100	100	-
Food Backpacks	10.579	-	<u>119,758</u>	<u>119,758</u>	<u>-</u>
Total U.S. Department of Agriculture Passed Through Kansas Department of Education		<u>-</u>	<u>2,937,057</u>	<u>2,937,057</u>	<u>-</u>
Total		<u>\$ 125,400</u>	<u>\$ 7,739,174</u>	<u>\$ 8,102,747</u>	<u>\$ [238,173]</u>

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Unified School District No. 497. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified (Regulatory Basis)
Adverse (GAAP)

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

Significant deficiency (ies) identified that are not
considered to be material weaknesses? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiency (ies) identified that are not
considered to be material weaknesses? ___ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with section 510(a)
of Circular A-133? ___ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559 84.367	Child Nutrition Cluster Improving Teacher Quality State Grants

Dollar threshold used to distinguish between
type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes ___ No

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2015

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Current Status</u>
Title VI-B - Special Education Cluster	2014-1	Personnel costs not supported by required documentation in two instances out of a sample of twenty-five selected for the audit.	OMB Circular A-87 Attachment B	Not determined	Adopt policy and procedures to comply with the federal time keeping rules	Agrees	Resolved



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statements of the Unified School District No. 497, (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 13, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain other matters that we reported to management of the District in a separate letter dated November 13, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mike Houser: Company PA

Certified Public Accountants

November 13, 2015
Lawrence, KS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Education
Unified School District No. 497
Lawrence, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 497, (the District) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *Kansas Municipal Audit and Accounting Guide*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mye Houser: Company PA

Certified Public Accountants

November 13, 2015
Lawrence, KS

Unified School District No. 497

Lawrence High School

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2015



MIZE & HOUSER
COMPANY P.A.

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have compiled the accompanying Statement of Cash Receipts and Cash Disbursements for the year ended June 30, 2015 of the Lawrence High School Activity Funds. We have not audited or reviewed the accompanying Statement of Cash Receipts and Cash Disbursements and, accordingly, do not express an opinion or provide any assurance about whether the accompanying statements are in accordance with the Kansas regulatory basis of accounting.

The management of the Unified School District No. 497 is responsible for the preparation and fair presentation of the Statement of Cash Receipts and Cash Disbursements in accordance with the Kansas regulatory basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Statement of Cash Receipts and Cash Disbursements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all the disclosures required by the Kansas regulatory basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the cash receipts, cash disbursements, and cash balances of the Lawrence High School Activity Funds. Accordingly, this financial statement is not designed for those who are not informed about such matters.

The independent accountant's report on applying agreed upon procedures follows this report.

Mize & Houser : Company PA

Certified Public Accountants

November 13, 2015
Lawrence, KS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have performed the procedures enumerated below, which were agreed to by the District solely to assist the District in evaluating the Statement of Cash Receipts and Cash Disbursements of the Lawrence High School Activity Funds for the year ended June 30, 2015, and determining compliance with certain Kansas statutes. The Board of Education and administration of the District is responsible for the District's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings are as follows:

1. Cash Receipts. We randomly selected sixty students from independently maintained files and for those students, determined the status of fees that they had incurred during the school year by tracing cash receipts from the receipt book to the records and from the records to the bank statement. As of June 30, 2015, these fees could be paid, waived or unpaid. Of the sixty students that we selected, one student had unpaid fees as of June 30, 2015 related to the current school year. The total of unpaid fees at June 30, 2015, for Lawrence High School was \$64,583.98. We were unable to find receipt documentation for one student. No other discrepancies were noted.

We recommend continuous monitoring of cash receipting procedures at the High School to ensure that adequate separation of duties is maintained. This means that the same person should not have both physical and accounting control over cash receipts.

2. Cash Disbursements. For sixty randomly selected cash disbursements, we traced the disbursements from the records to the related invoice, the bank statement and canceled check and reviewed the propriety of the disbursements. The following discrepancies were noted:

- a. One purchase order was not properly authorized.
- b. One invoice should have been paid and recorded in a previous year.
- c. Four disbursements to officials lacked appropriate payment documentation.
- d. Two other disbursements had insufficient documentation.

We recommend properly authorizing purchases and maintaining sufficient payment documentation, as well as paying invoices timely.

3. Encumbrances and Accounts Payable. We have examined evidence of outstanding encumbrances and accounts payable. The evidence is consistent with the related amount shown on the financial statement.

4. Year-End Cash. We performed a proof of cash for the year and have tied the ending cash balance to the year-end bank reconciliation and other documents evidencing year-end cash. No discrepancies were noted. We recommend that the school review its listing of outstanding checks and void those which are no longer expected to be cashed.

5. Comparison of Current Year Financial Statements to Prior Year. We compared total cash receipts, total cash disbursements, outstanding encumbrances and accounts payable, and ending unencumbered cash balance for the current year with the same financial statement items for the prior year. No unexplained variances exceeding 25 percent were found.

6. Compliance with Kansas Statutes. We performed procedures, including those discussed above, to determine compliance with certain Kansas statutes. No instances of non-compliance with Kansas statutes were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and administration of the District and is not intended to be and should not be used by anyone other than those specified parties.

Mike Houser: Company PA

Certified Public Accountants

November 13, 2015
Lawrence, KS

LAWRENCE SCHOOL DISTRICT NO. 497
Lawrence High School
Activity Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2015

	Cash Balances July 1, 2014	Cash Receipts	Cash Disbursements	Cash Balances June 30, 2015
<u>Student Organizations</u>				
Alliance for Social Awareness	\$ 122	\$ -	\$ 122	\$ -
American Indian Club	576	4,576	5,050	102
Amnesty International Club	29	-	29	-
Auto/Power Mech Club	565	123	404	284
Aviation Club	108	-	108	-
AVID	-	1,271	946	325
Bike Club	51	-	51	-
Biology Club	105	-	105	-
Black American Club	160	-	160	-
Chess Club	-	1,106	986	120
Computer Club	91	-	91	-
DECA Chesty's Brew	400	-	400	-
DECA Club	-	8,233	8,220	13
Disc Golf Club	29	-	29	-
Environmental/Recycle Club	358	105	81	382
Ewertmania	22	-	22	-
FBLA/Business Professionals	44	-	44	-
FCCLA	279	2,190	2,469	-
Fellowship of Christian Athletes	19	-	19	-
French Club	239	-	36	203
Future Farmers of America	628	159	709	78
Game Club	193	-	-	193
Gay & Straight Alliance	52	336	150	238
GCTL/FYI	1,122	4,656	5,064	714
Geography Club	115	-	-	115
German Club	625	-	-	625
Graffiti Magazine	48	202	250	-
Habitat for Humanity Club	1,174	1,810	489	2,495
HALO - Hispanic American Leadership Org	-	100	-	100
International Club	1,388	754	748	1,394
JAG	-	150	150	-
Jewelry Shop	952	-	-	952
Key Club	437	-	437	-
Latin Club	1,977	3,570	5,063	484
Latin Club - Courtyard	503	-	503	-
Media Club	289	-	-	289
Mud Volleyball	-	2,849	2,849	-
Musical Festival	-	4,492	4,492	-
My Little Pony Club	25	-	25	-
National Art Honor Society	47	-	-	47
National Honor Society	1,544	-	938	606
Outdoor Leadership Experience	2	-	2	-
Pink Out	-	1,465	1,124	341
Prom	-	5,352	4,693	659
Ski Club	25	-	25	-
Spanish Club	7	-	-	7
Student Council	1,970	12,400	13,012	1,358
Table Tennis Club	40	-	40	-
Teachers of Tomorrow	74	-	74	-
Theater Drama Club	1,310	-	23	1,287

See Independent Accountant's Report on Applying Agreed-Upon Procedures.

LAWRENCE SCHOOL DISTRICT NO. 497
Lawrence High School
Activity Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2015

	Cash Balances <u>July 1, 2014</u>	Cash Receipts	Cash Disbursements	Cash Balances <u>June 30, 2015</u>
<u>Student Organizations, continued</u>				
VICA/COT	\$ 2,808	\$ -	\$ 2,808	\$ -
Walt Whitman Fund	-	3,577	3,300	277
Writers Club	1	-	1	-
Y.E.K.	1	-	1	-
Young Feminists	-	257	136	121
Young Feminists Club	-	86	86	-
Young Democrats	63	-	-	63
Youth in Local Government	137	-	137	-
Total Student Organizations	<u>20,754</u>	<u>59,819</u>	<u>66,701</u>	<u>13,872</u>
<u>District Activity Funds</u>				
Activity Tickets	-	28,296	28,271	25
Athletics-Gate Receipts	-	112,093	112,093	-
Athletics-Posters	-	7,711	7,711	-
Band	-	15,375	15,375	-
Bowling	-	735	735	-
Boys Swimming	-	5,103	5,103	-
Budget Newspaper	-	20,786	20,786	-
Cheerleaders	-	34,158	33,863	295
CTE Photo Skills	-	1,716	1,716	-
C-Tran Program	-	479	479	-
Debate	-	4,343	4,343	-
Drama Production	-	4,941	4,941	-
Forensics	-	5,720	5,720	-
Girls Golf	-	545	545	-
Girls Swimming	-	4,789	4,789	-
Gymnastics	-	2,070	2,070	-
IPS	-	1,692	1,692	-
Theater/Showtime	-	9,236	9,236	-
Orchestra	-	20,240	20,240	-
Red and Black Yearbook - Other	-	15,798	15,798	-
Red and Black Yearbook - Sales	-	29,944	29,944	-
Scholars Bowl	-	955	955	-
Showtime Gate Receipts	-	23,666	23,666	-
Track	-	2,934	2,934	-
Vocal Music	-	10,453	10,453	-
Total District Activity Funds	<u>-</u>	<u>363,778</u>	<u>363,458</u>	<u>320</u>

LAWRENCE SCHOOL DISTRICT NO. 497
Lawrence High School
Activity Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2015

	Cash Balances <u>July 1, 2014</u>	Cash Receipts	Cash Disbursements	Cash Balances <u>June 30, 2015</u>
<u>Special Projects</u>				
After Prom	\$ -	\$ 2,590	\$ 2,590	\$ -
At Risk	-	455	455	-
Baseball Program	-	20,401	20,401	-
Boys Basketball Program	-	2,636	2,636	-
Boys Soccer Program	-	11,161	11,161	-
Breakfast By Gentleman	-	48	48	-
C.P. Engineering Competition	-	720	720	-
Cap N Gown	-	10,838	10,838	-
Cross Country Program	-	2,298	2,298	-
Culinary	-	185	185	-
Diplomas, Past Years	-	98	98	-
Directed Studies	-	77	77	-
F&CS Interior Design Project	-	30	30	-
Film Festival/Showtime	-	1,757	1,757	-
French IV Trip	-	2	2	-
Gala	-	10,133	10,133	-
Girls Basketball Program	-	8,658	8,658	-
Girls Soccer Program	-	4,919	4,919	-
Heart of a Lion Fund	-	17,217	17,217	-
Hip Hop/Step	-	66	66	-
History Day Competition	-	2,812	2,812	-
Intramurals	-	647	647	-
Lawrence Youth Symphony	-	4,191	4,191	-
Leadership Symposium	-	387	387	-
LHS Strength and Conditioning	-	1,926	1,926	-
Link Crew	-	1,134	1,134	-
Model UN	-	2,928	2,928	-
Music Student Accounts	-	117,377	117,377	-
Paws for Pals/Can We Talk	-	4,121	4,121	-
School District Landscaping	-	1,504	1,504	-
Softball Program	-	10,780	10,780	-
Tennis Program	-	2,405	2,405	-
Testing	-	41,600	41,600	-
Volleyball Program	-	10,173	10,173	-
Welding Projects	-	278	278	-
Woodshop Projects	-	662	662	-
	-	-	-	-
Total Special Projects	-	297,214	297,214	-

LAWRENCE SCHOOL DISTRICT NO. 497
 Lawrence High School
 Activity Funds
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2015

	Cash Balances July 1, 2014	Cash Receipts	Cash Disbursements	Cash Balances June 30, 2015
<u>Fee Funds</u>				
Auto Mechanics	\$ -	\$ 10,456	\$ 10,456	\$ -
Activity Trip Transportation Fee	-	7,505	7,505	-
Participation Fee	-	15,534	15,384	150
Co-Curricular Fee	-	6,956	6,956	-
Instructional Maintenance Fee	-	1,950	1,950	-
Miscellaneous Fines/Fees	-	5	5	-
Course Fees	-	6,211	6,211	-
Student Fees	-	71,916	71,916	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fee Funds	-	120,533	120,383	150
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Revolving Accounts</u>				
Petty Cash	750	16	16	750
Cash Box	130	-	-	130
Overpayment	-	547	547	-
Sales Tax	-	16,440	16,440	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revolving Accounts	880	17,003	17,003	880
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Trust Funds</u>				
Jennifer Trapp Memorial	580	-	580	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Trust Funds	580	-	580	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Activity Funds	<u>\$ 22,214</u>	<u>\$ 858,347</u>	<u>\$ 865,339</u>	<u>\$ 15,222</u>

Unified School District No. 497
Lawrence Free State High School
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2015



MIZE & HOUSER
COMPANY P.A.

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have compiled the accompanying Statement of Cash Receipts and Cash Disbursements for the year ended June 30, 2015 of the Free State High School Activity Funds. We have not audited or reviewed the accompanying Statement of Cash Receipts and Cash Disbursements and, accordingly, do not express an opinion or provide any assurance about whether the accompanying statements are in accordance with the Kansas regulatory basis of accounting.

The management of the Unified School District No. 497 is responsible for the preparation and fair presentation of the Statement of Cash Receipts and Cash Disbursements in accordance with the Kansas regulatory basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Statement of Cash Receipts and Cash Disbursements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all the disclosures required by the Kansas regulatory basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the cash receipts, cash disbursements, and cash balances of the Free State High School Activity Funds. Accordingly, this financial statement is not designed for those who are not informed about such matters.

The independent accountant's report on applying agreed upon procedures follows this report.

Mize & Houser: Company PA

Certified Public Accountants

November 13, 2015
Lawrence, KS



MIZE & HOUSER
& COMPANY P.A.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have performed the procedures enumerated below, which were agreed to by the District solely to assist the District in evaluating the Statement of Cash Receipts and Cash Disbursements of the Lawrence Free State High School Activity Funds for the year ended June 30, 2015, and determining compliance with certain Kansas statutes. The Board of Education and administration of the District is responsible for the District's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings are as follows:

1. Cash Receipts. We randomly selected sixty students from independently maintained files and for those students, determined the status of fees that they had incurred during the school year by tracing cash receipts from the receipt book to the records and from the records to the bank statement. As of June 30, 2015, these fees could be paid, waived or unpaid. Of the sixty students that we selected, one had unpaid fees as of June 30, 2015, related to the current school year. The total of unpaid fees at June 30, 2015 for Lawrence Free State High School was \$43,482.88. No discrepancies were noted.

We recommend continuous monitoring of cash receipting procedures to ensure that adequate separation of duties is maintained. This means that the same person should not have both physical and accounting control over cash receipts.

2. Cash Disbursements. For sixty randomly selected cash disbursements, we traced the disbursements from the records to the related invoice, the bank statement and cancelled check and reviewed the propriety of the disbursements. Of the sixty disbursements selected, we noted two disbursements for which there was not sufficient backup documentation for the amount. We also noted that one disbursement for which the purchase order was not signed and one disbursement for which the cancelled check was not available to view.

We recommend that all purchase orders be properly authorized and that all disbursements have sufficient documentation.

3. Encumbrances and Accounts Payable. We have examined evidence of outstanding encumbrances and accounts payable. The evidence is consistent with the related amount shown on the financial statement.

4. Year-End Cash. We performed a proof of cash for the year and have tied the ending cash balance to the year-end bank reconciliation and other documents evidencing year-end cash. No discrepancies were noted. However, we recommend that the school review its listing of outstanding checks and void those which are no longer expected to be cashed. Also, it was noted that the school has an outstanding receipt from the district that has been on the books for a couple of years. We recommend that this receipt is either written off or paid by the district.

5. Comparison of Current Year Financial Statements to Prior Year. We compared total cash receipts, total cash disbursements, outstanding encumbrances and accounts payable, and ending unencumbered cash balance for the current year with the same financial statement items for the prior year. No unexplained variances exceeding 25 percent were found.

6. Compliance with Kansas Statutes. We performed procedures, including those discussed above, to determine compliance with certain Kansas statutes. Negative cash balances at June 30, 2015 in the Yearbook Fund and Cheerleaders Fund violate KSA 10-1113.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and administration of the District and is not intended to be and should not be used by anyone other than those specified parties.

Mike Houser: Company PA

Certified Public Accountants

November 13, 2015
Lawrence, KS

LAWRENCE SCHOOL DISTRICT NO. 497
Lawrence Free State High School
Activity Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2015

	Cash Balances July 1, 2014	Cash Receipts	Cash Disbursements	Cash Balances June 30, 2015
<u>Student Organizations</u>				
Advanced Placement/Knowledge Master	\$ 1,000	\$ -	\$ -	\$ 1,000
Anime	136	-	-	136
Badminton Club	4	-	-	4
Bike Club	42	-	-	42
Book Club	140	-	-	140
Business Professionals	82	1,498	759	821
Chess Club	796	17	81	732
Class of 2001	500	-	-	500
Class of 2004	500	-	500	-
Class of 2005	500	-	-	500
Class of 2006	500	-	-	500
Class of 2007	500	-	-	500
Class of 2008	500	-	-	500
Class of 2009	500	-	-	500
Class of 2010	499	1	-	500
Class of 2012	500	-	-	500
Class of 2013	500	-	-	500
Class of 2014	103	-	-	103
Class of 2015	168	566	-	734
Computer Club	344	-	-	344
Diversity Club	18	453	348	123
Environmental Club	69	-	-	69
Family Career & Community Leaders of America	-	2,879	2,077	802
Fellowship of Christian Athletes	264	-	-	264
Film Club/Firebird Productions	7,187	1,125	974	7,338
Free State Yoga Club	23	-	-	23
French Club	198	-	-	198
Future Farmers of America	1,696	8,035	8,748	983
GCTL/FYI	470	2,468	1,171	1,767
Geography Club	592	-	590	2
Hype Inc.	168	-	168	-
JAG - Jobs for American's Graduate	-	117	105	12
Key Club	830	2,884	2,983	731
Lawrence Free Poetry Club	-	504	456	48
Math Team	209	-	-	209
National Honor Society	3,720	8,202	5,596	6,326
Native American Club	203	1,597	1,792	8
Philosophy Club	17	-	-	17
Pre-Med Club	100	-	-	100
Random Acts of Kindness	250	690	445	495
Science Olympiad	362	1,149	1,435	76
Spanish Club	6	-	-	6
STEP	-	868	570	298
Student Council	14,583	20,333	24,926	9,990
Sweater Club	34	-	-	34
Thespians	457	2,566	512	2,511
Tolkien Club	399	581	405	575
VICA/CIT	2,017	1,332	2,121	1,228
Writers Club	515	-	-	515
YARC-Youth Against Rape Culture	-	85	39	46
Young Democrats Club	97	-	-	97
Total Student Organizations	42,298	57,950	56,801	43,447

LAWRENCE SCHOOL DISTRICT NO. 497
Lawrence Free State High School
Activity Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2015

	Cash Balances July 1, 2014	Cash Receipts	Cash Disbursements	Cash Balances June 30, 2015
<u>Special Projects</u>				
Baseball Account	\$ 13,546	\$ 28,389	\$ 31,477	\$ 10,458
Cap & Gown Rental	-	10,362	10,362	-
Camera Rental & Repair	1,869	60	171	1,758
Model UN	75	13,697	12,894	878
Free State Football	7,911	25,345	24,781	8,475
Free State Boys Soccer	-	32,118	32,088	30
Firebird Fund	692	597	1,198	91
Engineering Club - Special Projects	698	4,696	4,668	726
Free State Girls Soccer	373	17,276	13,503	4,146
Free State Girls Basketball	2,136	4,838	4,405	2,569
Parking Fines	2,789	2,106	2,300	2,595
Free State Boys Basketball	1,322	629	1,951	-
Student Planners	2,579	41	-	2,620
Free State Cross Country/Track	2,009	53,521	49,888	5,642
Special Education	71	-	-	71
Free State Boys Tennis	50	993	299	744
Free State Girls Tennis	258	-	-	258
Kelly Petry - Firebird Brick Fund	200	-	-	200
Golf	1,346	2,952	3,174	1,124
Girls Golf	606	741	775	572
Battle of the Bands	773	-	-	773
Grounds Beautification	610	-	-	610
Green & Silver	971	1,412	1,635	748
LINK	1,125	779	712	1,192
Math Awards	-	30	30	-
Autism	14	217	199	32
Freddie's Friends	43	-	-	43
SLEIPS	1,398	4,732	4,839	1,291
Can We Talk	-	2,135	2,134	1
LEAP	-	1,819	1,819	-
Shop Projects/Schwager	-	257	87	170
Free State Football (Additional)	74	-	-	74
Free State Softball	18,783	13,134	11,996	19,921
Testing Fund	6,674	49,828	51,766	4,736
Jewelry/Metal	1,520	452	5	1,967
Band Program (Additional)	3,990	38,285	36,253	6,022
Baseball (Additional)	1,769	-	-	1,769
Gay/Straight Alliance	111	-	-	111
Welding/Industrial Technology	56	-	-	56
Work Books	-	31	31	-
Free State Wrestling	761	5,217	4,554	1,424
Cartridge Recyclers	253	-	-	253
Volleyball	4,247	5,098	5,499	3,846
Winter Game Intramurals	70	999	620	449
Winter Classic Program	-	4,422	4,422	-
Firebird Pride	467	-	-	467
The Early Bird	339	825	873	291
Renaissance Committee	786	1,300	1,620	466
Bowling	2,154	3,009	2,326	2,837
Photo Enrichment	570	250	-	820
Girls Swim/Dive	1,244	10,374	10,586	1,032
Boys Swim/Dive	1,937	8,924	9,494	1,367
River City Baseball	7,659	19,998	27,657	-
CORE/DUB Club	400	-	-	400
Total Special Projects	97,328	371,888	373,091	96,125

See Independent Accountant's Report On Applying Agreed-Upon Procedures.

LAWRENCE SCHOOL DISTRICT NO. 497
Lawrence Free State High School
Activity Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2015

	Cash Balances July 1, 2014	Cash Receipts	Cash Disbursements	Cash Balances June 30, 2015
<u>District Activity Funds</u>				
Activity Tickets	\$ -	\$ 46,773	\$ 46,773	\$ -
Athletics-Gate Receipts	-	181,642	181,642	-
AVID	-	700	700	-
Band	-	5,796	5,796	-
Vocal	150	96,800	96,950	-
Orchestra	-	33,686	33,686	-
CCM NSF Rebate	10	45	55	-
Coca Cola Commissions	-	6,255	6,255	-
Debate	-	7,098	7,098	-
DECA	[195]	12,779	12,584	-
Theater	-	19,172	19,172	-
Forensics	-	220	220	-
Free State Enhancement	-	3,744	3,744	-
Media/Field Trip	-	31,628	31,628	-
Newspaper-Free Press	-	9,850	9,850	-
Parking Permits	-	17,900	17,900	-
Yearbook	-	105,888	105,948	[60]
Scholars Bowl	-	981	981	-
Cheerleaders	-	23,467	23,752	[285]
Encore Gate Receipts	-	50,917	50,917	-
Color Guard	-	458	458	-
Officials	-	49,803	49,803	-
Total District Activity Funds	[35]	705,602	705,912	[345]
<u>Fee Funds</u>				
Lost Text Books/Fines	-	3,580	3,580	-
Instrumental Rental Fee	-	1,600	1,600	-
Miscellaneous Fines/Fees	-	685	685	-
Participation Fee-Sport	-	24,841	24,841	-
Co-Curricular Fee	-	10,043	10,043	-
Student Fees	-	99,600	99,600	-
Activity Trip Transportation	-	10,451	10,451	-
Course Fees	-	6,752	6,752	-
Library Fines & Fees	-	542	542	-
Total Fee Funds	-	158,094	158,094	-
<u>Revolving Accounts</u>				
Petty Cash	507	461	569	399
Clearing Account	1	2,873	2,874	-
Sales Tax	-	32,676	32,676	-
Total Revolving Accounts	508	36,010	36,119	399
Total Activity Funds	\$ 140,099	\$ 1,329,544	\$ 1,330,017	\$ 139,626

Unified School District No. 497

South Middle School

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2015



MIZE & HOUSER
COMPANY^{PA}

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have compiled the accompanying Statement of Cash Receipts and Cash Disbursements for the year ended June 30, 2015 of the South Middle School Activity Funds. We have not audited or reviewed the accompanying Statement of Cash Receipts and Cash Disbursements and, accordingly, do not express an opinion or provide any assurance about whether the accompanying statements are in accordance with the Kansas regulatory basis of accounting.

The management of the Unified School District No. 497 is responsible for the preparation and fair presentation of the Statement of Cash Receipts and Cash Disbursements in accordance with the Kansas regulatory basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Statement of Cash Receipts and Cash Disbursements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all the disclosures required by the Kansas regulatory basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the cash receipts, cash disbursements, and cash balances of the South Middle School Activity Funds. Accordingly, this financial statement is not designed for those who are not informed about such matters.

The independent accountant's report on applying agreed upon procedures follows this report.

Mize & Houser: Company PA

Certified Public Accountants

November 13, 2015
Lawrence, KS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have performed the procedures enumerated below, which were agreed to by the District solely to assist the District in evaluating the Statement of Cash Receipts and Cash Disbursements of the South Middle School Activity Funds for the year ended June 30, 2015, and determining compliance with certain Kansas statutes. The Board of Education and administration of the District is responsible for the District's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings are as follows:

1. Cash Receipts. We randomly selected sixty students from independently maintained files and for those students, determined the status of fees that they had incurred during the school year by tracing cash receipts from the receipt book to the records and from the records to the bank statement. As of June 30, 2015, these fees could be paid, waived or unpaid. Of the sixty students selected, five had unpaid fees as of June 30, 2015 related to the current school year. The total unpaid fees at June 30, 2015 for South Middle School were \$14,079.81. No discrepancies were noted.

We recommend continuous monitoring of cash receipting procedures at the Middle School to ensure that adequate separation of duties is maintained. This means that the same person should not have both physical and accounting control over cash receipts.

2. Cash Disbursements. For sixty randomly selected cash disbursements, we traced the disbursements from the records to the related invoice, the bank statement and canceled check and reviewed the propriety of the disbursements. Of the sixty disbursements tested, one voided check was missing. No other discrepancies were noted.

3. Encumbrances and Accounts Payable. We have examined evidence of outstanding encumbrances and accounts payable. The evidence is consistent with the related amount shown on the financial statement.

4. Year-End Cash. We performed a proof of cash for the year and have tied the ending cash balance to the year-end bank reconciliation and other documents evidencing year-end cash. No discrepancies were noted. However, we recommend that the school review its listing of outstanding checks and void those which are no longer expected to be cashed.

5. Comparison of Current Year Financial Statements to Prior Year. We compared total cash receipts, total cash disbursements, outstanding encumbrances and accounts payable, and ending unencumbered cash balance for the current year with the same financial statement items for the prior year. No unexplained variances exceeding 25 percent were found.

6. Compliance with Kansas Statutes. We performed procedures, including those discussed above, to determine compliance with certain Kansas statutes. No discrepancies were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and administration of the District and is not intended to be and should not be used by anyone other than those specified parties.

Mike Houser: Company PA

Certified Public Accountants

November 13, 2015
Lawrence, KS

UNIFIED SCHOOL DISTRICT NO. 497
 South Middle School
 Activity Funds
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2015

	Cash Balance <u>July 1, 2014</u>	Cash Receipts	Cash Disbursements	Cash Balance <u>June 30, 2015</u>
<u>Student Activity Funds</u>				
Junior Players	\$ 3,430	\$ 5,356	\$ 4,545	\$ 4,241
International Club	754	-	-	754
Adventure Club	4,996	1,095	1,995	4,096
Physical Education	285	-	12	273
Student Council	3,978	23,003	20,943	6,038
Yearbook	877	3,529	2,000	2,406
South Singers	435	5,618	4,511	1,542
Cheerleaders	134	-	-	134
Band	213	604	459	358
Orchestra	6,021	5,325	5,495	5,851
Black Male Brothers	725	1,467	1,858	334
Women of Color	-	188	-	188
Honor the Circle	158	-	-	158
Garden Club	958	-	6	952
Cougar Grrrrl Power	12	600	399	213
S4EE (Students for Equity Excellence)	-	143	139	4
Total Student Activity Funds	<u>22,976</u>	<u>46,928</u>	<u>42,362</u>	<u>27,542</u>
<u>District Activity Funds</u>				
Athletics	-	10,356	10,356	-
Athlete Assistance Fund	-	119	119	-
Wrestling	-	1,165	1,165	-
7th Grade	-	2,809	2,809	-
8th Grade	-	5,901	5,901	-
Track	-	2,809	2,809	-
NSF Rebate	-	10	10	-
Special Ed - Recycling	-	229	229	-
Academic Rewards	-	1,470	1,470	-
Home Ec	-	718	718	-
After School Cougar Academics	-	210	210	-
6th Grade	-	2,000	2,000	-
Total District Activity Funds	<u>-</u>	<u>27,796</u>	<u>27,796</u>	<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 497
 South Middle School
 Activity Funds
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2015

	Cash Balance <u>July 1, 2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Cash Balance <u>June 30, 2015</u>
<u>Fee Funds</u>				
Library	\$ -	\$ 555	\$ 555	\$ -
Textbooks-lost/damaged	-	120	120	-
Co-Curricular	-	1,890	1,890	-
Participation Fee	-	3,935	3,935	-
Overpayments	-	8	8	-
Instrument Maintenance Fee	-	1,589	1,589	-
Student Fees - BMT	-	21,866	21,866	-
Activity Trip/Transportation	-	2,534	2,534	-
Total Fee Funds	-	32,497	32,497	-
<u>Revolving Accounts</u>				
Petty Cash	-	463	463	-
Clearing Account	-	1,977	1,977	-
Sales Tax	-	3,412	3,412	-
Total Revolving Accounts	-	5,852	5,852	-
<u>Trust Funds</u>				
Cougar Relief	132	2,019	2,151	-
Science - Haskell CoOp	-	152	152	-
Total Trust Funds	132	2,171	2,303	-
Totals	\$ 23,108	\$ 115,244	\$ 110,810	\$ 27,542

Unified School District No. 497

Woodlawn Elementary

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2015



MIZE & HOUSER
COMPANY P.A.

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have compiled the accompanying Statement of Cash Receipts and Cash Disbursements for the year ended June 30, 2015 of the Woodlawn Elementary School Activity Funds. We have not audited or reviewed the accompanying Statement of Cash Receipts and Cash Disbursements and, accordingly, do not express an opinion or provide any assurance about whether the accompanying statements are in accordance with the Kansas regulatory basis of accounting.

The management of the Unified School District No. 497 is responsible for the preparation and fair presentation of the Statement of Cash Receipts and Cash Disbursements in accordance with the Kansas regulatory basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the Statement of Cash Receipts and Cash Disbursements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all the disclosures required by the Kansas regulatory basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the cash receipts, cash disbursements, and cash balances of the Woodlawn Elementary School Activity Funds. Accordingly, this financial statement is not designed for those who are not informed about such matters.

The independent accountant's report on applying agreed upon procedures follows this report.

Mize & Houser : Company PA

Certified Public Accountants

November 13, 2015
Lawrence, KS



MIZE & HOUSEER
COMPANY, P.C.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have performed the procedures enumerated below, which were agreed to by the District solely to assist the District in evaluating the Statement of Cash Receipts and Cash Disbursements of the Woodlawn Elementary School Activity Funds for the year ended June 30, 2015, and determining compliance with certain Kansas statutes. The Board of Education and administration of the District is responsible for the District's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings are as follows:

1. Cash Receipts. We randomly selected sixty students from independently maintained files and for those students, determined the status of fees that they had incurred during the school year by tracing cash receipts from the receipt book to the records and from the records to the bank statement. As of June 30, 2015, these fees could be paid, waived or unpaid. Of the sixty students that we selected, two had unpaid fees as of June 30, 2015, related to the current year. The total of estimated unpaid fees at June 30, 2015 for Woodlawn Elementary School was \$891.80. No discrepancies were noted.

We recommend continuous monitoring of cash receipting procedures to ensure that adequate separation of duties is maintained. This means that the same person should not have both physical and accounting control over cash receipts.

2. Cash Disbursements. For all cash disbursements processed by the school during the fiscal year, we traced the disbursements from the records to the related invoice, the bank statement and canceled check and reviewed the propriety of the disbursements. No discrepancies were noted.

3. Encumbrances and Accounts Payable. We have examined evidence of outstanding encumbrances and accounts payable. The evidence is consistent with the related amount shown on the financial statement.

4. Year-End Cash. We performed a proof of cash for the year and have tied the ending cash balance to the year-end bank reconciliation and other documents evidencing year-end cash. No discrepancies were noted.

5. Comparison of Current Year Financial Statements to Prior Year. We compared total cash receipts, total cash disbursements, outstanding encumbrances and accounts payable, and ending unencumbered cash balance for the current year with the same financial statement items for the prior year. No unexplained variances exceeding 25 percent were found.

6. Compliance with Kansas Statutes. We performed procedures, including those discussed above, to determine compliance with certain Kansas statutes. No instances of non-compliance with Kansas statutes were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and administration of the District and is not intended to be and should not be used by anyone other than those specified parties.

Mike Houser: Company PA

Certified Public Accountants

November 13, 2015
Lawrence, KS

UNIFIED SCHOOL DISTRICT NO. 497
Woodlawn Elementary School
Activity Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2015

	Cash Balance <u>July 1, 2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Cash Balance <u>June 30, 2015</u>
<u>Student Activity Funds</u>				
Student Council	\$ 112	\$ -	\$ -	\$ 112
Total Student Activity Funds	<u>112</u>	<u>-</u>	<u>-</u>	<u>112</u>
<u>District Activity Funds</u>				
Lost Library Books	-	135	135	-
Total District Activity Funds	<u>-</u>	<u>135</u>	<u>135</u>	<u>-</u>
<u>Fees Funds</u>				
Activity Trip Transportation	-	1,245	1,245	-
Student Fees	-	7,793	7,793	-
Total Fees and User Charges	<u>-</u>	<u>9,038</u>	<u>9,038</u>	<u>-</u>
<u>Revolving Accounts</u>				
Petty Cash	200	-	-	200
Total Revolving Accounts	<u>200</u>	<u>-</u>	<u>-</u>	<u>200</u>
Totals	<u>\$ 312</u>	<u>\$ 9,173</u>	<u>\$ 9,173</u>	<u>\$ 312</u>

See Independent Accountant's Report on Applying Agreed-Upon Procedures.